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TODAY: SCIENCE

2 Different Destinies Carved From Subcontinent

India and Pakistan Mark Independence

By Kenneth J. Cooper
Washington Post Service

NEW DELHI — The two countries were cut from the same Asian subcontinent, clumsily freed by a European colonial power at the same tumultuous moment a half-century ago. But the political course of each country since then could hardly be more different.

The much bigger and diverse one, India, has evolved into the world's largest democracy and one of the few developing nations to sustain a multiparty democracy ever since independence. A teeming India that sprawls from the snowy Himalayas to the steamy tropics has held 11 national elections and kept together a huge population, now 950 million, despite multiple divisions based on religion, caste, ethnicity and language.

The smaller, more homogenous country born of the bloody partition of British India, Pakistan, has been dominated almost from the beginning by a military that ruled directly for half the nation's history and retained control behind the scenes at other times. It took 23 years for Pakistan to hold its first national election; when it did, the country broke apart. Religion was not enough to keep the predominantly Muslim republic united, and East Pakistan went its own way as Bangladesh.

What accounts for such a big difference between the politics of India and Pakistan, two neighbors who share similar cultures and ethnic heritages as well as the same history, dating back thousands of years?

It is a question being asked anew as both countries prepare this week to look back to 1947 and celebrate the 50th anniversary of their independence, which launched the nationalist movements that ended the European colonial era in Asia and Africa.

The best answers lie even beyond a cataclysmic partition, in which hundreds of thousands of Hindus and Muslims were left dead along dirt roads and inside packed trains while tens of thousands of women were abducted and raped in a spasm of communal violence.

India's founders had more clearly conceived the nation they proposed to build, a secular democracy with a social conscience, than their Pakistani counterparts had, and were better organized to accomplish their goal when independence arrived on Aug. 14 for Pakistan and Aug. 15 for India.

"We did not sit down after independence to decide what kind of nation India would be," Prime Minister I.K. Gujral said recently. "It happened much earlier."

Because Hindus make up the vast majority of the subcontinent's population, plans by the region's Muslims to create a haven from Hindu domination took shape long before independence. But they were so vague that Pakistan's founders spent years debating whether their country would be a secular democracy or an Islamic republic. They were also ill prepared to create a nation from scratch, particularly one comprising two wings 1,000 miles (1,600 kilometers) apart, hostile India in between.

Kudsia Rasul, who was a member of the elected assembly that wrote India's constitution of 1950, recalled a conversation she had in the early 1940s with Mohammed Ali Jinnah, leader of the Muslim League and Pakistan's eventual founding father. Jinnah persuaded her to abandon the Indian National Congress temporarily and join the Muslim League, which had called for a separate Muslim state that she did not support.

"How will Pakistan be viable financially and otherwise?" Miss Rasul, 88, remembered asking Jinnah. "He said that could be worked out later on. He himself was not very sure."

Jinnah died of tuberculosis about a year after independence, and Pakistanis have often cited his untimely death to explain what went wrong with their country. There is a problem with that explanation, though: Mohandas K. Gandhi, India's founding father, was killed eight months before Jinnah died, but the assassination did not stop what became the dominant Congress Party from carrying out Gandhi's dream.

With its enduring democracy, India stands in contrast not just to its neighbor but to nearly all former colonies in Asia and Africa. But with its diversity, which has prompted some foreign observers to label India the most socially complex country in the world, have

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John Moore/The Associated Press

A city worker polishing a statue of Gandhi in New Delhi on Wednesday as the capital prepared to celebrate 50 years of independence.

Reflections on the Subcontinent's half-century. Opinion, Page 8.

Bundesbank Keeps Eye on the Mark

Veiled Threat to Prop Currency Undercuts High-Flying Dollar

By John Schmid
International Herald Tribune

FRANKFURT — The Bundesbank gave a clear indication Wednesday that it was prepared to raise German interest rates to defend the value of the Deutsche mark and to keep inflation under control.

The dollar, which climbed to an eight-year high last week against the mark, cascaded lower through the day in the wake of the Bundesbank's implied threat, losing over three pfennigs at its lowest point. By the end of European dealings, it traded around 1.8350 DM, down from 1.8645 on Tuesday.

"It cannot be overlooked that there has been a stronger rise in consumer prices in the last few months," the German central bank wrote in its August monthly report. "The Bundesbank will orient its policy in such a way that price stability, which has been essentially achieved, can be maintained."

What this means is that "the Bundesbank is preparing the ground for a reversal in interest rates," signaling the end of five years of easy credit, said Gerhard Grebe, an economist in Frankfurt at Bank Julius Baer. On Tuesday, the Bundesbank chose to hold its key repurchase rate unchanged at 3 percent, a historic low, for a week.

Putting the dollar under pressure was exactly what the Bundesbank hoped to achieve with its tough tone, economists said. With the strong sell-off of the dollar on Wednesday, the German authorities scored a rare success in regaining a degree of control over the currency with the sell-off.

"The strategy was very successful," said Eckhard Schulte, an economist in Frankfurt at the Industrial Bank of Japan.

Still there remains a sizable gap between European interest rates and those in America, and the higher U.S. rates buoy the dollar against the mark. Economic data released on Wednesday allayed fears that the Federal Reserve Board would imminently push U.S. interest rates higher, but even without such a move, American overnight interest rates are about 5.5 percent, well above the German level.

Observers said the Bundesbank's worries went beyond a short-term rise in consumer prices or fluctuations in the foreign-exchange market. The mark, an object of German national pride, could be subsumed into a soft euro if the Bundesbank fails to wring incipient inflation out of Europe's biggest economy.

For many Germans, already distrustful of the untested amalgamated currency, a weak mark and creeping inflation would confirm prejudices against the euro at the very start, economists said. Inflation in July hit a 25-month high of 1.9 percent, while import prices — which are sensitive to exchange rates — rose to a six-year high in June. Such worries outweigh the export-boosting benefits to the German economy that a weak mark offer.

It is critical to act early, economists like Mr. Schulte said. Europe's currencies are due for jolts of volatility as key decisions are prepared early next year over which nations can join the new euro bloc. A weak mark at the outset of that transition could become even weaker if countries such as Italy and Spain were allowed to join a so-called broad monetary union, he said.

The mark's decline over the past weeks has attracted unwelcome attention in Germany. The weekly Die Zeit recently illustrated its front page with the mark as a moon in near-full eclipse. The magazine Stern went further, with a cover reminiscent of Salvador Dali that showed floppy euro coins melting over the sweating head of an exasperated Chancellor Helmut Kohl.

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The Dollar		
New York	Wednesday @ 4 P M	previous close
DM	1.8345	1.8625
Pound	1.5835	1.5787
Yen	115.855	116.28
FF	6.187	6.2788

The Dow		
	Wednesday close	previous close
-32.52	7928.32	7960.84

S&P 500		
change	Wednesday @ 4 P M	previous close
-4.51	922.02	926.53

Confusion Abounds in U.S. Markets

Good Inflation News Is Tempered by Wild Currency Gyrations

By Erik Ipsen
International Herald Tribune

NEW YORK — Fresh signs of solid economic growth and tame inflation briefly sent U.S. bond and equity markets higher Wednesday. But gyrations in the currency markets sent stock prices back into retreat.

Fears that the statistics would reveal an inflationary spurt in economic activity were allayed when the government reported a gain of 0.6 percent in retail sales in July, in line with analysts' estimates. Producer-price inflation fell 0.1 percent last month, the seventh monthly decline in a row.

"The markets had been geared up for bad news on the inflation front, and instead they got just what the doctor ordered," said David Ging, a bond-market strategist for Donaldson Lufkin & Jenrette.

By late morning in New York, though, that good news had been swamped by a rout in the value of the dollar — particularly against the Deutsche mark. At one point, the dollar had fallen nearly 3.7 pfennig, but by late in the day it had clawed back some ground to stand at 1.8345 DM, a drop of 2.8 pfennig, or 1.5 percent.

"Last week's confidence in the dollar has just evaporated," said Paul Meggyesi, an economist at Deutsche Morgan Grenfell in London.

He attributed the shift in sentiment to fresh rumblings Wednesday from Germany's central bank that it stood ready to raise interest rates to defend its sagging currency.

The Dow Jones industrial average closed 32.52 points lower to 7,928.32. U.S. bond prices rose as the reports

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Southeast Asia Collects a Hodgepodge of Arms

By Michael Richardson
International Herald Tribune

SINGAPORE — Thailand recently took delivery of an aircraft carrier built in Spain, becoming the first country in Southeast Asia to operate such a warship and only the second in Asia, after India, to have this capability.

Indonesia announced that it will buy 12 advanced Sukhoi Su-30 K long-range fighters from Russia and an undisclosed number of second-hand U-206 submarines, probably five or six, from Germany.

In March, Malaysia will take delivery of the first of two missile-armed Lekiu-class frigates from Britain, which military analysts say will be the most sophisticated and potent warships in the Southeast Asia.

Singapore, meanwhile, is working with Swedish designers to build eight 1,000-ton missile corvettes that will be the region's first "stealth" vessels able to avoid or minimize detection by radar, according to analysts.

These acquisitions are part of a military modernization program in Southeast Asia that is costing many billions of dollars. It is intended to give the region greater military clout as the U.S. security presence becomes relatively weaker and the power of China increases.

But Western military experts say that much of the money is being misspent on aircraft and ships that come in small numbers from too many different countries, creating major maintenance and servicing problems.

"Unfortunately, except for Singapore, the billions of dollars spent by countries of ASEAN, the Association of South East Asian Nations, to purchase sophisticated weaponry has not translated into competent military organizations," said Major Dana Dillon, a specialist on the region in the U.S. Defense Department. "This disorganized, inefficient, and uncoordinated charge to acquire modern military equip-

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Allies Tighten Squeeze on Karadzic

U.S. and NATO Backers Determined to Strip Serb of His Role in Bosnia

By Edward Cody
Washington Post Service

PALE, Bosnia — Moving on several fronts, the United States and its allies in Bosnia have tightened the squeeze on Radovan Karadzic, seeking with new determination to push the defiant Bosnian Serb off the political stage.

The campaign has relied on a mix of political, diplomatic and military measures — along with the threat of arrest.

All are aimed at eliminating the former president of the Bosnian Serbs as the decisive economic and political power here in the Serb Republic, the part of Bosnia set aside for Serbs.

Although indicted for war crimes and out of the presidency for more than a year, Mr. Karadzic has remained the dominant force behind the Serbs' resistance to the Dayton peace accord that ended the country's 1992-95 civil war.

The escalation in pressure against him has been undertaken as part of a push by the Clinton administration to solidify the shaky peace before the 1998 deadline for withdrawal of the 8,500 U.S. troops in the NATO-led peacekeeping force in Bosnia.

Politically, the United States and international organizations working in Bosnia have openly and unabashedly thrown their weight behind Biljana Plavsic, the Bosnian Serbs' president, based in Banja Luka, who is locked in a power struggle with Mr. Karadzic and his allies in the government based in Pale.

U.S. and allied officials have expressed hope that the more compliant Mrs. Plavsic can replace Mr. Karadzic as the Serb Republic's paramount leader if he is forced underground or arrested on the war crimes charges.

Although herself a Serbian nationalist — and the Bosnian Serbs' vice president during the war — Mrs. Plavsic repeatedly has pledged to U.S. and other foreign diplomats that she is ready to work within provisions of the Dayton peace agreement, designed to restore at least a semblance of unity to the Bosnian state and get its institutions working again.

Mrs. Plavsic, 66, a former biology professor, assumed office when Mr. Karadzic was forced to step down last year.

She seemed then to be destined for a role as figurehead. But railing against black marketeering by Mr. Karadzic and Interior Minister Dragan Kijac, she unexpectedly dissolved the hard-line Bosnian Serbs' Parliament and government July 3 and called for new elections, now scheduled for mid-October.

Since then, Mrs. Plavsic has been expelled by Mr. Karadzic's ruling Serbian Democratic Party. In reaction, she has vowed to form her own party to do battle against Mr. Karadzic and his followers in the October elections.

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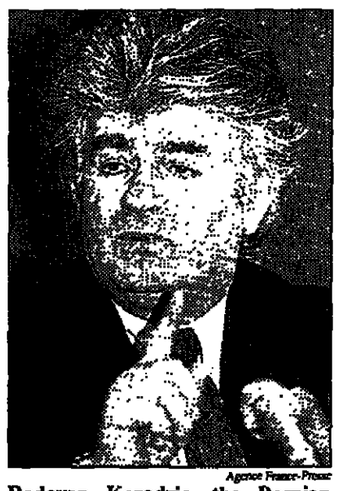

Agence France-Presse

Radovan Karadzic, the Bosnian Serb wanted on war crimes charges.

Jakarta Acts to Defend Its Tumbling Currency

Indonesia's central bank said Wednesday that it had intervened in the currency market after the rupiah fell against the dollar, and it pledged to continue to defend the currency.

The intervention followed a failed attempt to halt the rupiah's slide with a one-point increase on most money-market interest rates. Page 11.

Vying to Forge a World Criminal Court

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — For two weeks, through diplomacy's August doldrums, legal experts from scores of countries have been closeted in basement conference rooms here, working hard on a blueprint for the world's first international criminal court.

The establishment of a permanent court to judge the most terrible of mass crimes — including genocide and the massacres that have come to characterize the ethnic conflicts of recent decades — is a goal that has eluded the United Nations for half a century.

It is now within a year of becoming reality, if the remaining trepidations of some nations can be overcome.

The obstacles could still be formidable. Many countries, including the United States, are wary of a criminal court with powers that cross borders. There is not complete agreement on what crimes the court would take on. There are wide differences of opinion on how crimes would be taken to the court, in particular whether a chief prosecutor would have the authority to originate cases.

The Clinton administration backs the proposed court, which would be established by international treaty. But U.S. participation would require the consent of a Republican-controlled Congress, where many international issues have been bogged down by the Senate Foreign Relations Committee.

U.S. diplomats and legal experts agree that chances that an international criminal court will emerge from a treaty conference scheduled for next June in Rome have improved.

"Three years ago, almost all major powers opposed it," said William Pace, chairman of a coalition of human rights and legal groups. "Now virtually all governments have affirmed support. We are optimistic that this could be the last major international organization established in this century, which has been by all accounts the bloodiest, most war-ridden century in all of history."

The absence of a court to deal with figures like Pol Pot, the Khmer Rouge leader whose reign of terror left more than a million Cambodians dead, has been widely noted. And the creation of tribunals to deal with war criminals in the Balkans and Rwanda has laid the groundwork for a more lasting forum.

"The establishment of the Yugoslavia tribunal and the tribunal for Rwanda has shown that we can operate on an international level," said Gabrielle Kirk McDonald, an American judge serving on the Balkans tribunal in The Hague. She is taking part in the discussions here.

"We at the Yugoslavia tribunal brought together 11 judges, all from different systems in different countries, and we were able to draft rules of procedure and evidence that we believe met the needs of all of the systems," said

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AGENDA

Albright Sees Progress in Mideast Talks

WASHINGTON (AFP) — The U.S. envoy to the Middle East, Dennis Ross, has achieved some progress in talks with Israel and the Palestinians on security, Secretary of State Madeleine Albright said Wednesday.

But Mrs. Albright, who spoke by phone with Mr. Ross earlier, said she was awaiting concrete results from the discussions before deciding whether to make her first trip to the region later this month. "He has made headway in talks," Mrs. Albright said to reporters before a meeting with Foreign Minister Jose Miguel Insulza of Chile. "I want to wait and see exactly what the talks bring in terms of developing a better climate in terms of security," she added. "I will make my decision based on what I hear from those talks."

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World Track Record

ZURICH (AP) — Wilson Kipketer, a Kenyan running for Denmark, broke the oldest world record in track and field here Wednesday when he posted a time of one minute 41.24 seconds in the men's 800 meters.

Kipketer broke the mark of 1:41.73 set by Sebastian Coe of Britain in 1981. Kipketer had already equaled the record earlier this year.

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View From the Rockies / **Absurdities and Glories**

An Ex-Congressman Misses the 'Fun of Politics'

By Francis X. Clines
New York Times Service

MISSOULA, Montana — The sky arches here far more grandly than does the dome of the Capitol, and no one knows that better than Pat Williams, the Washington politician come home.

"I miss Congress every day," said the voluntarily retired Democratic representative, who drove back here through the snows of last winter after 18 years in the House. "Every day I wake up, my eyes pop open, and I'm not in Congress. I miss my pals, the sense of accomplishment."

Then again, Mr. Williams has to laugh in his readjustment as he eyes a new spinning rod nestled in a corner of his office, within casting distance of the Clark Fork River that roars beyond the doorway.

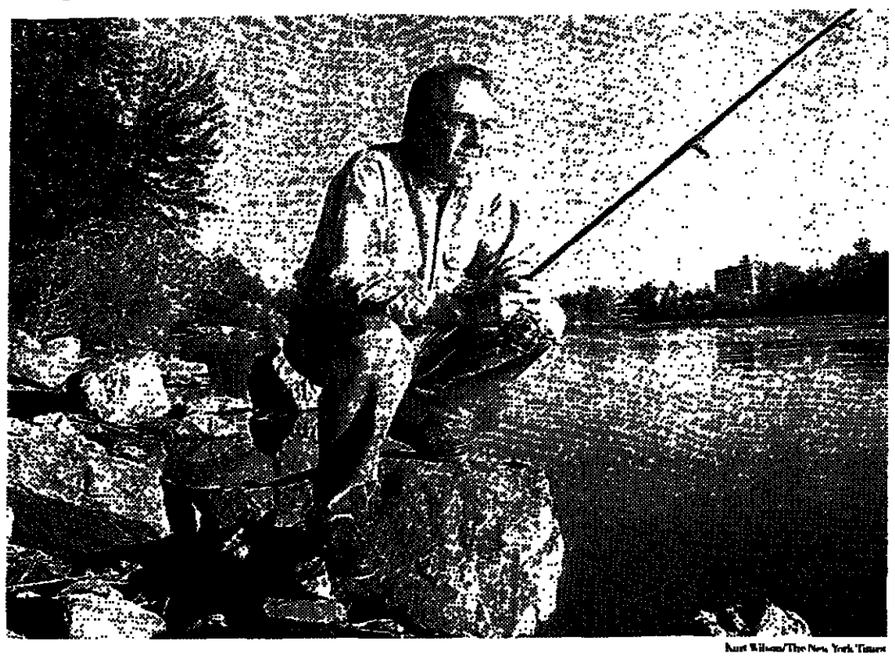
"I've learned an irony," he said, "and that is you can miss something but be damned glad you're not doing it in the same breath."

For Mr. Williams, a 59-year-old lifelong political worker, there is more to going cold turkey outside the Beltway than working on his wrist flick at the riverbank that borders his fine new perch as senior fellow at the University of Montana's Center for the Rocky Mountain West.

"I'm almost over what I call headline-jerk," he said. "You know, you pick up the newspaper, see the headline and say, 'Whoa, what am I going to say about that?' Two seconds later I realize I don't have to say a damned thing about that."

The university has dispatched Mr. Williams, an amiable talker, into a dozen different issues and lecture halls. When journalism students asked the best way to interview politicians, he kept his reply as primal as the neighboring woodlands: "Keep watching their eyes."

Free now to rail at the absurdities and hypocrisies of politics, Mr. Williams concedes all that plus "the seedy life" at the heart of a congressional incumbent's treadmill existence of eating and voting on the run and campaigning endlessly as a transcontinental "gypsy" bereft in airports and hotels. But he takes care to cite a few glories, too, even insisting that congressional incumbency is "great for your mental health."



Kurt Wilson/The New York Times

Pat Williams, who spent 18 years as a Democratic lawmaker, savors life beyond the Beltway in Montana, but insists Congress is "great for your mental health."

"Really," he said, bemused that, finally immune to voter controversy, he can claim to see virtue in Washington. Leaning back in his office, dressed as soft and tieless as a model in an L.L. Bean catalog, he explained: "It's good for your mental health because at the end of the day you've won or lost. In other words, you get to vote: you've achieved something, reached an end point every day. And occasionally, you win."

THE FORMER lawmaker keeps this in mind as he works at his new academic analyst's post in a pristine region that is paradoxically facing some of the highest population-growth rates and political challenges in the nation.

When he first went to Congress, Mr. Williams recalls, members seemed more respected. But later, anti-government attack politics became the fashion, seizing the public's imagination right down to each night's final television jokes. "There was no internal payoff anymore," he said.

Safely gone, Mr. Williams dares to extol working politicians.

"Congress is filled with some of the best people I ever met," he said. "It's difficult to be a good member of Congress; it requires craftsmanship."

On the other hand, out here he better senses how his former colleagues cannot fathom the public's disgust on issues like campaign spending abuses. "My old friends tell me nothing's happening back there on that, but I can see they're missing a bigger point," he said. "People aren't so much angry at the system as embarrassed by it. And that's worse, because people drop out."

He recalls the blind spots of incumbency. "Part of what you do when you're back there is see to your self-preservation, and that muddles your thinking," he admitted. "It's inevitable that people come to Congress full of themselves, heading for a crash," he said of the anti-Gingrich coup attempt, which made less of a splash here than one of the more splendid rainbow trout dancing past in the Clark Fork, where Lewis and Clark once explored.

As a progressive western Democrat, Mr. Williams won some bills before his party lost the majority, notably the Family and Medical Leave Act and various aid measures for higher education and the arts. He lost his biggest "wilderness war," in which he sought full congressional protection of a 6,000-acre (2,430-hectare) swath of Montana.

But he hopes he achieved enough safeguards in roundabout piecemeal measures, something he will be testing on site in his new job. He holds himself fortunate to have retired from Washington in time to face this region's challenge of protecting its beauty even as fresh settlers pour in. This is the academic specialty that he and his colleagues share at the Center for the Rocky Mountain West.

Mr. Williams departed Washington as deputy whip. He had found himself more "homesick" than fed up. He took with him an ominous impression that he prays will fade once he fully adjusts to a constituent's perspective.

"Tragically, the federal government is less able to achieve great things and is less trusted in the doing of it," he said. "That's painful, because I believe the government has been a wonderful partner to the American people."

HE IS already missing "the fun of politics — how you have to entertain as a candidate as a part of your role." He laughs grimly at what he finds to be the ultimate entertainment in the politics he left behind, of "condemning the very government you run and are part of."

"Criticism of the federal government has begun to unravel the cord of trust between the American people and their government at all levels," he said, finding this particularly true at home now on the school-board level.

"I sense the unraveling more clearly from here," he said.

Yet, he is also sensing some mixed signs about it.

"You can feel distrust in state and local government, too," he said, "but people also tell me about two watershed events, transitional American events, to my mind: the shutting down of government during the budget fights a few years ago, and the Oklahoma City bombing."

People have been coming up to their former congressman to ask and complain about extremism.

"History turns," Mr. Williams said, "and people so want to believe in elective government and the goodness of the system that — who knows? — Congress will have some second chances."

Mr. Williams does not miss the artifice of Washington life, which he summarizes as the "double-knit haircut" sort of political culture.

He can dismiss such burning Beltway questions as whether President Bill Clinton is moving to the right or the Republicans are moving to the left. He suspects the latter, but he can also go fishing.

Burundi Interns Hutu in Camps

Farmers Become the Victims Of Crackdown on Guerrillas

By James C. McKinley Jr.
New York Times Service

BURANIRO, Burundi — Like most people in this squalid patchwork of banana-leaf huts, Mary Rose Habyamberi lives in the grip of a double fear. She is afraid of the well-armed Tutsi soldiers who patrol around the camp, keeping Hutu families like hers under a tense watch.

But she is also scared of the Hutu guerrillas in the hills. Last fall, they raided the commune where she lived for supplies, killing several people. In the mayhem of gunfire, she lost her 10-year-old son, Olivier.

"They killed my child," she said. "He was fleeing and I never saw him again."

Mrs. Habyamberi is one of 13,000 Hutu who have been forced off their lands by the Tutsi-dominated army and crowded into a camp around this trading post as part of President Pierre Buyoya's policy to combat the Hutu guerrilla movement.

Aid officials estimate that Burundi has at least 44 camps like this one, with about 255,000 people living in them.

For Mr. Buyoya, the military major who seized power in a bloodless coup a year ago, forcing Hutu peasants into "regroupment" camps has been a successful military strategy, aid workers and diplomats said.

It has robbed the guerrillas, known as the Front for the Defense of Democracy, of supply lines and hiding places, and has made it harder for them to recruit young men to their cause.

"We are obliged to regroup people to protect them," Mr. Buyoya, a Tutsi, said in an interview. "We have to put them somewhere where they can live together in security."

But for the people living in the camps, the internment has been hard. Though some are now allowed to go back to their farms during daylight hours, many of them have missed a planting season.

Those who have been able to plant can work their lands for only a few hours a day, crippling this year's harvest. Some said they are expecting less than half of their normal yield of yams, cassava and beans.

The camp conditions are grim. Sanitation facilities and clean water are hard to find. People who were used to acres of land are living on top of one another. Disease is rampant: typhoid fever, dysentery and malaria.

And with the limited harvests, malnutrition is beginning to take hold in some camps, aid workers said.

While Mr. Buyoya's commanders maintain that the camps were created to keep farmers safe from attacks, few people who live in them said they did so voluntarily. But anyone caught outside the camps at night is automatically considered a rebel by the military. Although none of the camps has fences or guard towers, they are all well garrisoned with soldiers.

Buraniro is one of the places where people are allowed to return to their farms during the day. In others, the residents are asked to work collectively on a single tract of land at a time, almost like a chain gang. In a few, the camp's inhabitants cannot leave at all, ostensibly because of security problems.

Marcel Nyabenda, a 50-year-old father of nine children, is typical of the residents at Buraniro. His farm is a two-hour walk away, and he must be back in the camp by 6 P.M. Even worse, the soldiers did not allow him to go to his farm in February, the last planting time. "This time I will not harvest, because I didn't cultivate," he said.

Mr. Nyabenda said he does not dare return to his farm permanently for fear of being mistaken as a rebel by the soldiers and shot. The cost to his family has been high. Since January, when he and the others from his commune of Nyabibuye were moved into the camp, his brother, mother and father have died of typhus.

Others, however, said they were happy to have protection from the guerrillas, whose tactics have included killing people accused of not supporting the rebellion. "I like staying here," said Ancilla Ndayisenga, 20. "The rebels find us at our houses and attack us, so the soldiers ask us to come here and protect us."

From a human rights and humanitarian standpoint, forcing people into the camps is indefensible, diplomats and UN officials said. But since Mr. Buyoya began moving more and more people into the camps early this year, security in the north and central regions of the country has improved markedly. The rebellion is now confined to the southern tip of the country, near Tanzania, where the rebels use UN refugee camps across the border in Tanzania as rear bases, diplomats said.

Mr. Buyoya has expanded the mostly Tutsi army from 17,000 to 40,000, flooding the main roads and byways with troops. Inside the camps, the soldiers also have started a propaganda campaign aimed at convincing farmers the army is on their side.

"What they are doing in the camps is really brainwashing," a UN official said.

TRAVEL UPDATE

Paris Lifts Warning on Pollution

PARIS (AFP) — Paris authorities lifted a pollution alert Wednesday as winds helped to disperse a concentration of ozone over the city that had led to health warnings.

A northwesterly wind significantly reduced levels of the gas one day after City Hall issued a Level 2 alert, just under the maximum, and urged city residents to leave their cars at home and use public transport.

Level 2 pollution alerts were given Tuesday in Lyon and Strasbourg as well.

Paris police had lowered speed limits to try to curtain car emissions to avoid a pollution crisis and offered free parking in residential areas to get commuters to leave their cars there. Public health officials also urged the elderly, small children and people with respiratory problems to limit their physical activity during the alert.

Air France plans to improve its shuttle service by introducing new routes to Bordeaux and Strasbourg. *(AFX)*

Torrential rain continued in Hong Kong on Wednesday, raising the threat of more flooding and landslides, with no letup in sight. *(Reuters)*

The Japanese Association of Travel Agents said Wednesday that it had lodged a protest with the U.S. government over plans to raise U.S. airport taxes. *(AFP)*

Armed Man on Plane Is Charged

The Associated Press

PHILADELPHIA — A real-estate agent has been charged with carrying a flare gun, 19 flares and an 8-inch filet knife onto a U S Airways flight after a flight attendant heard him use the word "hijack" while he waited to board, authorities said.

John Thomas Kieser, 45, from Jacksonville Beach, Florida, was charged Tuesday with carrying dangerous weapons aboard an aircraft. He was freed on $25,000 bail.

Mr. Kieser was waiting to board the flight to Orlando Monday evening at Philadelphia International Airport when an off-duty flight attendant overheard him say "hijack" while talking to a woman near the gate, an FBI affidavit said. He denied the charge. Prosecutors said they did not know how Mr. Kieser had been able to pass security.

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Anti-Apartheid Painting Will Go Home

By Donald McNeil Jr.
New York Times Service

JOHANNESBURG — Thirty-five years ago one Sunday morning, an unconventional painting of the Crucifixion was hung in a little church near Cape Town. It created a furor.

By Tuesday the artist had been arrested at his home. The police seized the painting and brought it before the Board of Censors. Calling it sacrilegious, the censors "banned" the work, making it illegal to display it.

The censors were, perhaps deliberately, missing the point. The painting, "Black Christ," was not a religious statement, but an attack on apartheid.

The artist, Ronald Harrison, depicted Chief Albert Luthuli, president of the outlawed African National Congress who had been awarded the Nobel Peace Prize in 1960, as the crucified Christ flanked by two Roman soldiers, one piercing his side with a spear.

One soldier bore the face of Prime Minister Hendrik Verwoerd, the architect of apartheid; the other was John Vorster, minister of justice.

With the help of the Anglican Church and the Swedish and Dutch embassies, the picture was rolled up in linoleum and smuggled to England on a cargo plane. It is not clear who now owns the painting.

The Church of England plans to return it to South Africa, where it will probably be displayed later this year for the centenary of St. Luke's, the church in Salt River where it was hanging when the police came. Then it will be moved to St. George's Cathedral in Cape Town.

But the South African National Gallery, in Cape Town, may also express an interest in what has now become a work of historical importance.

As for Mr. Harrison, he says he doesn't want a cent for it.

New Altitude Alarm Sees Terrain Ahead

New York Times Service

WASHINGTON — A new kind of altitude warning system that might have saved the Korean Air airliner that crashed on a hill while trying to land in Guam is being installed in hundreds of airliners and may eventually be required on all airliners.

The system, which looks ahead as well as down, is being installed by American, Alaska and United Airlines and Lufthansa and British Airways.

It determines an aircraft's location, altitude and course from existing navigational equipment. It compares that information with a computerized map of the world's mountains and predicts the length of time before an impact would occur if the airliner did not react.

The system sounds a warning 60 seconds before probable impact and again, more sharply, at 30 seconds.

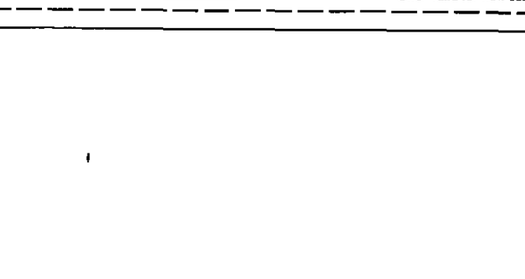
Conventional systems sometimes fail to give any warning at all. These devices, known as ground proximity warning systems, became standard in the 1970s.

But they have no ability to assess the terrain ahead of an airplane. Instead, they use a radar altimeter to measure the distance between the plane and the ground directly below it. They sound an alarm if the distance is closing fast.

The problem with such systems was demonstrated by the crash in Guam and by two crashes in 1996. In one, an American Airlines jet flew into a mountain near Cali, Colombia. In the other, a U.S. Air Force transport carrying Commerce Secretary Ronald Brown struck a hill while descending to the airport at Dubrovnik, Croatia.

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.



North America Sunshine and sweltering heat is in store for the Southeast and mid-Atlantic from Atlanta to Philadelphia through the weekend. Thunderstorms with heavy downpours will roam across the Midwest. Cool with showers in the northern Rockies, but hot and dry in Oregon and Washington.

Europe Mostly sunny and very warm to hot from Spain to southern France and Italy, but Belarus and Russia will be rather cool. Soaking rain is in store for the Balkan region, while northern France and most of England will be quite comfortable with some sunshine and just a stray shower.

Asia Lots of sunshine, hot and humid across most of Korea and Japan through the weekend, but gusty thunderstorms in Beijing Friday will end the heat in northeastern China. Soaking rains will continue along the central coast from Shanghai on south. Steamy with showers in Hong Kong.

Europe

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Algarve	31/88	21/70 s	31/88	19/66 s
Amsterdam	26/79	15/59 pc	24/75	16/61 c
Ankara	21/70	13/55 r	22/71	12/53 sh
Athens	25/77	20/68 c	27/80	19/66 pc
Barcelona	27/80	21/70 pc	28/82	21/70 s
Belgrade	28/82	13/55 s	31/88	16/61 s
Berlin	31/88	19/66 s	28/82	19/61 c
Brussels	25/77	14/57 pc	24/75	15/59 pc
Budapest	30/86	18/64 s	32/89	18/64 c
Copenhagen	24/82	17/62 s	24/75	16/61 pc
Costa Del Sol	31/88	19/66 pc	29/84	20/68 pc
Dublin	22/71	16/61 sh	22/71	15/59 c
Edinburgh	24/75	15/61 c	21/70	14/57 r
Florence	33/91	18/64 s	31/88	17/62 pc
Frankfurt	31/88	18/64 s	29/84	15/59 c
Geneva	26/79	12/53 pc	28/82	14/57 s
Helsinki	16/61	7/44 pc	16/61	7/44 pc
Istanbul	22/71	17/62 r	25/77	18/64 pc
Kiev	23/73	14/57 pc	21/70	11/52 pc
Las Palmas	28/82	21/70 s	27/80	21/70 s
Lisbon	29/84	18/66 s	29/84	19/66 s
London	25/77	16/61 pc	25/77	16/61 pc
Madrid	38/100	18/64 s	36/100	19/66 s
Mallorca	30/86	17/62 s	31/88	18/64 s
Milan	32/89	18/64 pc	32/89	18/64 s
Moscow	17/62	8/46 pc	12/53	10/50 r
Munich	26/79	13/55 pc	23/73	13/55 r
Nice	29/84	22/71 pc	29/84	22/71 s
Oslo	24/75	15/59 s	24/75	16/61 pc
Paris	24/75	13/55 pc	25/77	14/57 pc
Prague	31/88	18/61 s	29/84	14/57 c
Reykjavik	16/61	13/55 sh	16/61	10/50 r
Riga	21/70	10/50 pc	18/64	10/50 pc
Rome	28/84	18/64 s	29/84	18/64 pc
St. Petersburg	14/57	11/52 r	14/57	11/52 r
Stockholm	19/66	12/53 s	18/64	12/53 pc
Strasbourg	28/82	16/61 sh	28/79	15/59 pc
Tallinn	17/62	8/46 pc	16/61	8/46 pc
Tbilisi	31/88	18/64 pc	30/86	18/64 pc
Venice	30/86	19/66 s	28/82	18/64 r
Vienna	30/86	18/64 s	30/86	17/62 c
Warsaw	28/82	14/57 s	26/79	13/55 s
Zurich	29/79	14/57 sh	24/75	14/57 pc

Middle East

Abu Dhabi	43/109	28/82 s	43/109	28/82 s
Beirut	24/75	17/62 s	24/75	19/66 s
Cairo	34/93	19/66 s	35/95	21/70 s
Damascus	30/86	12/53 s	32/89	13/55 s
Jerusalem	24/75	12/53 s	25/77	13/55 s
Luxor	41/106	20/68 s	42/107	21/70 s
Riyadh	43/109	23/73 s	43/109	24/75 s

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	19/66	11/52 pc	19/66	11/52 pc
Atlanta	32/89	22/71 t	32/89	21/70 pc
Boston	27/80	18/61 pc	23/73	17/62 pc
Chicago	23/73	17/62 pc	26/79	18/64 pc
Dallas	36/97	24/75 pc	34/93	24/75 pc
Denver	30/86	13/55 s	31/88	14/57 pc
Detroit	23/73	14/57 s	24/75	17/62 pc
Honolulu	31/88	22/71 s	31/88	23/73 pc
Houston	34/93	24/75 pc	35/95	24/75 pc
Los Angeles	30/86	20/68 s	30/86	19/66 pc
Miami	33/91	25/77 s	33/91	26/79 pc
Minneapolis	23/73	18/61 sh	24/75	17/62 t
Montreal	21/70	11/52 pc	21/70	14/57 pc
Nassau	32/89	23/73 pc	32/89	25/77 pc
New York	28/82	20/68 pc	25/77	20/68 pc
Orlando	35/95	24/75 pc	33/91	24/75 pc
Phoenix	42/107	27/80 s	39/102	27/80 pc
San Fran.	23/73	14/57 s	23/73	14/57 pc
Seattle	30/86	17/62 s	23/73	12/53 pc
Toronto	23/73	9/48 s	23/73	14/57 pc
Vancouver	28/82	13/55 s	22/71	11/52 sh
Washington	29/84	19/66 pc	29/84	20/68 pc

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Almaty	33/91	17/62 s	35/95	19/66 s
Bali	29/84	19/66 s	29/84	19/66 pc
Bangkok	32/89	24/75 sh	31/88	24/75 t
Beijing	33/91	22/71 s	31/88	24/75 pc
Bombay	28/82	24/75 r	29/84	24/75 r
Calcutta	31/88	26/79 r	30/86	24/75 r
Chiang Mai	31/88	22/71 r	31/88	22/71 r
Colombo	28/82	24/75 r	28/82	24/75 r
Hanoi	33/91	27/80 r	33/91	27/80 r
Ho Chi Minh	31/88	23/73 c	31/88	23/73 sh
Hong Kong	31/88	26/79 pc	30/86	24/75 c
Islamabad	36/97	25/77 s	38/100	27/80 s
Jakarta	31/88	21/70 s	29/84	22/71 c
Karachi	32/89	25/77 s	32/89	26/79 s
K. Lumpur	31/88	23/73 c	31/88	23/73 pc
K. Kinabalu	31/88	22/71 pc	31/88	22/71 c
Manila	30/86	23/73 sh	30/86	23/73 sh
New Delhi	34/93	26/79 pc	35/95	26/79 pc
Phnom Penh	32/89	23/73 t	31/88	23/73 r
Phuket	32/89	24/75 sh	31/88	24/75 t
Rangoon	28/82	23/73 r	28/82	23/73 r
Seoul	32/89	19/66 s	29/84	19/66 pc
Shanghai	29/84	26/79 t	31/88	26/79 t
Singapore	31/88	21/70 pc	30/86	21/70 pc
Taipei	32/89	26/79 c	32/89	25/77 c
Tokyo	28/82	21/70 c	26/79	20/68 pc
Vientiane	30/86	22/71 sh	29/84	22/71 sh

Africa

Algiers	30/86	16/61 s	32/89	19/66 s
Cape Town	18/64	9/48 pc	21/70	9/48 s
Casablanca	25/82	22/71 s	28/82	21/70 s
Harare	23/73	10/50 s	24/75	11/52 s
Lagos	27/80	22/71 sh	28/82	22/71 c
Nairobi	24/75	9/48 pc	24/75	10/50 pc
Tunis	30/86	16/61 s	31/88	18/64 s

Latin America

Buenos Aires	21/70	10/50 c	15/59	6/43 c
Caracas	29/79	18/64 c	26/79	19/66 pc
Lima	21/70	15/61 s	19/66	16/61 pc
Mexico City	26/79	12/53 pc	24/75	13/55 c
Rio de Janeiro	23/73	16/61 s	23/73	19/66 s
Santiago	12/53	3/37 sh	12/53	4/39 r

Oceania

Auckland	12/53	4/39 sh	13/55	7/44 pc
Sydney	18/64	8/46 s	18/64	9/48 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

Easy Come, Easy Go for Speaker Gingrich

King of the Fund-Raisers Spends It as Fast as It Comes In — on His Image and Lawyers

By Leslie Wayne
New York Times Service

WASHINGTON — In the first six months of this year, Newt Gingrich, the speaker of the House, raised more money for his 1998 re-election race than anyone else in Congress — and he promptly spent it all.

Although supporters were urged to donate to promote Mr. Gingrich's conservative vision, virtually none of the $1.8 million in campaign money he has raised since January went to anything related to the campaign.

Instead, the money was spent on lawyers and political consultants, direct marketers and public relations. The spending represents a vast financial effort to polish Mr. Gingrich's image and pay his huge legal bills at a time when he faced attack by foes outside and inside his party.

"Newt's spending in the first six months was driven by his ethical problems and his attempts to resurrect his leadership," said Dwight Morris, a consultant with the Campaign Study Group, a firm in Springfield, Virginia, that analyzes campaign spending.

"Not everyone in Congress has the kinds of problems Newt does."

Mr. Gingrich is no ordinary congressman, and his finances are not ordinary either. He faced six-digit legal bills this year stemming from the House ethics case against him.

A coup attempt within his party this summer prompted him to increase spending on political advisers and public relations consultants. And he paid dearly for a direct-mail campaign designed as much to raise money as to garner grass-roots support across the country.

"Newt has had to pay off legal bills from the smear campaign that has been waged against him," said Michael Shields, a spokesman. "And that's not just the ethics case from this year. It's also over the 80 other ethics cases against him. Some of the legal bills came in before the election and some after. We have to be prepared to fight."

Mr. Gingrich's expenses are the kind that accountants typically call extraordinary.

That means, they are unusual, one-time and not typical.

For instance, at a time when members of Congress are only beginning to solicit donations for their 1998 campaigns, Mr. Gingrich has already spent more in six months than most others will need in the two-year election cycle for re-election.

In the 1996 election, an average successful member of Congress spent about $675,000 on a re-election campaign.

That Mr. Gingrich is spending money as fast as he raises it also sets him apart. Most members of Congress keep a tight hold on their donations until the money is needed closer to Election Day.

"Newt has spent literally everything that he has taken in," said Mr. Morris of the Campaign Study Group. "That is extremely unusual. Most candidates try to squirrel their money away."

Topping Mr. Gingrich's expenses, according to his filings with the Federal Election Commission, were legal bills stemming from his ethics case.

Mr. Gingrich was penalized $300,000 last January after a House ethics subcommittee found he had misused tax-exempt money for a politically tinged college course he taught.

Although he chose not to use campaign money to pay that fine, Mr. Gingrich can legally use it to pay his lawyers.

Legal bills have eaten up $620,000 of the $1.8 million he has raised so far this year.

Mr. Gingrich had already paid lawyers' bills of $1.1 million last year with campaign money from his 1996 race.

J. Randolph Evans, an Atlanta lawyer who headed Mr. Gingrich's defense team in the ethics case, received the largest share of the money — $233,000 — while Ed Bethune, a Washington lawyer, was paid $174,000.

"It's for six months' work," Mr. Bethune said.

Mr. Evans could not be reached.

James Holden, a Washington tax lawyer with Steptoe & Johnson, received $189,000 from Mr. Gingrich for his work on the tax aspects of the case.

In all, the legal bills arising from the ethics case have been larger than the fine Mr. Gingrich received. Mr. Gingrich could legally use campaign donations to pay the fine, but he instead accepted a $300,000 loan from Bob Dole, the former senator and Republican presidential candidate.

Clinton, in Gephardt Terrain, Hails Welfare Bill

Ruth Fremson/The Associated Press

President Clinton and Richard Gephardt, House minority leader, arriving back in Washington from St. Louis.

By Terry M. Neal
Washington Post Service

ST. LOUIS, Missouri — In a steamy factory warehouse here, President Bill Clinton sat on a dais near Richard Gephardt, hometown pol and House minority leader. But the physical distance belied a far greater political distance.

Mr. Clinton stepped to the podium, declared welfare reform a success and chided those who had questioned whether the legislation would work. "I heard all the reasons people said it wouldn't work," the president said. "But a year later, I think we can safely say the debate is over."

What Mr. Clinton did not mention was that one of the chief naysayers was sharing the stage. And the chief naysayer did not mention his opposition to the welfare bill. Instead, Mr. Gephardt said he hoped Mr. Clinton's visit marked "the first of what we hope will be many" to welfare training efforts nationwide.

In the last year, Mr. Gephardt has carved a niche for himself away from a president whose increasingly centrist agenda has increased his popularity. The ranking House Democrat — and, many believe, likely presidential contender in 2000 — has opposed some of Mr. Clinton's highest-profile initiatives, including the recent balanced-budget and tax measures, the expansion of the North American Free Trade Agreement and trading privileges for China.

Yet it was to Mr. Gephardt's home that Mr. Clinton came Tuesday to celebrate the success of the welfare measure Mr. Gephardt so bitterly opposed as cruel — a choice that left many questioning the president's motives.

The White House spokesman, Michael McCurry, dismissed talk of tension between the two. "They acknowledge they have some differences on some issues, but they also understand that they've got a big agenda that together they can pursue, in which the agreements are far more numerous than disagreements," he said.

Mr. Gephardt's stances have positioned him increasingly on the left in a party that has moved to the middle.

In a floor speech last month, Mr. Gephardt attacked the budget as tax legislation favoring the rich and declared: "I am a Democrat. I believe in building this economy from the bottom up, not the top down."

He said he was not alone in that belief: "So we in the Democratic Party feel strongly that people in the middle, people stuck on the bottom, are the people that we need to be dealing with" in the tax cut.

But in the vote, Mr. Gephardt found he was the only Democratic leader in Congress to oppose the bipartisan agreement, and just one-quarter of House Democrats followed his lead.

Mr. Gephardt faulted his party for not insisting that the budget deal do more for the middle class. He said as much as 80 percent of the tax cuts should have gone to families and individuals making less than $100,000 a year.

"I believe we could have done more, and I believe the Republicans could have been pushed further," he said.

A U.S. Casualty of Mexican Drug War

Sentenced to 10 Years, U.S. Yoga Teacher Says Conviction Was a Setup

By Molly Moore
Washington Post Service

MEXICO CITY — David Carmos is serving a 10-year sentence in a Mexican prison on a felony drug conviction ordered by a judge he never met, in a trial he never attended and with evidence that may have been falsified.

Confronting a legal system far different than anything he had ever experienced, the U.S. citizen turned to the one institution he believed would help him: the U.S. Embassy. But this is an era when the U.S. and Mexican governments are trying to show their zeal in fighting drug traffickers.

"From everything we can see, he was railroaded," said a U.S. representative, Joe Moakley, Democrat of Massachusetts, who has pursued the case of the onetime Boston University instructor convicted of possessing the illegal drug methamphetamine.

Mexican human rights officials charged that Mr. Carmos, 55, an author of nutrition books and a yoga instructor who, according to U.S. documents, had never had a run-in with the law until he was arrested transiting through a Mexico City airport nearly five years ago, has become a victim of the two nations' crusade against drugs.

"His human rights were violated," said the Reverend David Fernandez, a Jesuit priest who heads the Miguel Agustin Pro Human Rights Center and is familiar with the Mexican legal system. "And I've been absolutely astounded at the lack of help he's received from the embassy."

A U.S. Embassy official who agreed to be interviewed on the condition on anonymity, said, "Mr. Carmos was not treated worse than a Mexican citizen would be treated for the same crime," although he added that, "it's possible" that Mr. Carmos's rights were violated under Mexican law. Concerning the embassy's response, the official added, "We've done everything humanly possible for him."

While the State Department discourages its embassies from interfering in a foreign nation's legal system, they are allowed to pressure foreign governments when the rights of U.S. citizens are being abused. But despite the fact that U.S. government documents cited serious irregularities in Mr. Carmos's case, embassy records show that officials there made only one complaint to the Mexican government on his behalf in the last five years: that he did not receive adequate services of an interpreter during the appeals process.

The Mexican attorney general's office declined several requests to be interviewed about Mr. Carmos's case. Previously, officials there have told reporters they stand by their investigation and conviction of Mr. Carmos.

Mr. Carmos's ordeal with the Mexican authorities and the U.S. government, at least as he tells it, is the stuff of a traveler's worst nightmare.

In October 1992, he traveled to Brazil for a week of missionary work as a bishop at large for the San Diego branch of a Christian group, the Essenes, which sees itself as a modern-day incarnation of the sect credited with writing the ancient Dead Sea Scrolls. On his way home to California, while changing planes in Mexico City, Mr. Carmos was detained by customs officials who said they had found plastic bags containing a suspicious powder inside a container of Dura-Carb — a carbohydrate drink mix in powder form — and in three other cans.

Mr. Carmos said that he was carrying the drink mix, but that he had never seen the three other cans until Mexican customs agents showed them to him several hours after his arrest.

The authorities accused Mr. Carmos, who said he understood no Spanish, of carrying seven pounds of a substance that can be used to make a chemical precursor of the drugs amphetamine or methamphetamine.

Mr. Carmos said he did not even learn about his trial until nearly a month after it ended in January 1993.

In the middle of it, Mexican officials changed the charges against him from carrying a chemical component of an illegal drug to carrying the drug methamphetamine itself. Mexican prosecutors said in court documents that they made the alteration based on better laboratory tests.

But four experts in the United States and Mexico concluded that the tests either had been fabricated or were based on analyses of a substance different from the one for which he was charged, according to documents submitted to the court. The experts also found that eight laboratory tests submitted as separate examinations were eight photocopies of the same test result.

A chemist for the U.S. Drug Enforcement Agency noted other irregularities. In an internal U.S. Embassy memorandum dated April 8, 1994, the consul general's office told the public affairs office: "Upon review of the sentencing documents, it does seem extremely odd that Carmos, who was detained and charged on the basis of a suspicious powder, would have been charged with possession of a substance that only exists in liquid form."

Mr. Carmos said he believes that the Mexican authorities pursued his case because of pressure from the United States to toughen its prosecution of drug offenders. And Mr. Moakley, the congressman, said he believes the U.S. Embassy failed to aid Mr. Carmos because "they don't want to embarrass Mexico."

POLITICAL NOTES

Reagan Son Is Sour On Budget Accord

WASHINGTON — It has been 16 long years since Ronald Reagan and his Grand Old Party passed new tax cuts.

So you would think that his son Michael would be pleased to see the Republicans finally picking up the mantle. Think again.

Like his listeners, the San Diego talk radio host is doing more grumbling than cheering over the budget and tax agreement signed into law by President Bill Clinton last week.

When Republicans charged onto Capitol Hill in 1995, the energized political right expected swift and far-reaching change.

Taxes would be axed, entire government agencies swept away and tax dollars finally made available for private schools.

But when those true believers read the fine print of the new package, their faith begins to waver.

The activists concede there are elements of the deal they like, among them a new $500 a child tax credit, a cut in the capital gains tax and steep reductions in the federal deficit. But the list of grievances is far longer.

"This is a major disappointment," said Malcolm Forbes, the former Republican presidential candidate who has toured 30 states this year rallying the grass roots for a possible second run. "They junked the tax code instead of simplifying it. They have gutted workfare," he said, referring to new mandates on welfare. "They missed an opportunity for major educational reform. There are no reforms of Social Security, no reform of Medicare. And to call this a balanced-budget agreement would violate truth in politics if there was such a thing."

While much of America applauds bipartisan cooperation, hard-liners in both parties say they would have preferred a good principled fight over the recent round of making nice with the enemy. The tension in the Republican Party is more significant because liberal Democrats are reluctant to take on their popular president while Republicans are desperate to find a new leader. *(WP)*

Postmaster Assailed On Ceremony Costs

WASHINGTON — When Marjorie Brown became the Atlanta postmaster on Jan. 10, she was glowingly described in The Atlanta Constitution as a "consummate professional," one of only two women to head U.S. Postal Service operations in a major metropolitan area.

This week, however, the praise for Ms. Brown at Postal Service headquarters in Washington was somewhat muted. A report by the agency's newly installed inspector general, Karla Corcoran, confirmed congressional complaints that Ms. Brown spent $45,593 in postal funds for a lavish swearing-in ceremony, including $21,348 for a video production about herself.

Representative John McHugh, Republican of New York, who is chairman of the House Postal Service subcommittee, said he was outraged.

In addition to the video, which chronicled Ms. Brown's rise from being the daughter of a rural letter carrier, the Corcoran report said she spent $4,808 on a buffet luncheon for 300 guests, $4,738 for a photographer and audio/visual support and postage, $2,405 on programs and invitations, $877 for gifts and $1,506 for T-shirts, badges and vehicle rentals. *(WP)*

Retirees Doing Well With Inflation Aid

WASHINGTON — Nearly half a million retired federal workers get annuities that are bigger than their salaries when they retired, thanks to the inflation-protection feature of the civil service retirement system.

According to the General Accounting Office, the typical retiree has been retired 22 years and has received 26 cost-of-living adjustments. The GAO says the $40 billion spent on civil service retirement benefits in fiscal 1996 made it the seventh largest mandatory federal spending program.

But auditors say that no retiree is "receiving a pension that was larger than his or her final salary" when salaries are adjusted. *(WP)*

Quote / Unquote

Robert Rector, senior policy analyst at the conservative Heritage Foundation, commenting on the sharp decline in public assistance rolls: "The old image of welfare was that it was like a granite mountain — you might be able to chisel off a few rocks here and there but the mountain would still be there. What we have seen is that welfare is not like a mountain, but like a balloon; prick it and it will almost collapse." *(WP)*

State Schools Draw New Crowd

Scions of the Rich Increasingly Choose Public Universities, Giving Rise to a 'Simmering Crisis' in Educational Finance

By Peter Passell
New York Times Service

NEW YORK — Public four-year colleges and universities, long the backbone of economic opportunity for moderate-income Americans, are increasingly serving the economic elite, which as a group no longer puts so high a premium on private education.

The proportion of students from rich families sending their children to public universities has risen sharply in the last 15 years, according to data to be published next month by Michael McPherson of Macalaster College in St. Paul and Morton Schapiro of the University of Southern California. The two economists estimate that 38 percent of the college freshmen from families earning more than $200,000 a year enrolled in public institutions in 1994, compared with 31 percent in 1980.

Those findings are underscored by recent studies in Minnesota, Florida and Oregon showing that students in four-year public institutions come from wealthier families, on average, than their counterparts in private colleges and universities in those states.

The gentrification of public colleges accents what Tom Kane, an economist at the Kennedy School of Government at Harvard University, calls "the simmering crisis" in education finance. And it is a crisis carrying many questions about fairness.

While the demand for higher education is widely expected to rise by a third in the next decade, there is little indication that state legislatures are prepared to come up with the greater subsidies to support the extra students at the public institutions. If across-the-board tuition increases are used to fill the gap, Mr. McPherson argues, "the poor will bear the brunt," because an even higher percentage of places in four-year public colleges will be filled by students whose parents could have paid the full cost of their education. This in turn, will tighten the financial noose on private colleges that depend on affluent families to pay a disproportionate share of the institution's bills.

"Parents are buying college the way they buy consumer goods," concluded Mr. Schapiro, co-author of the forthcoming "Student Aid Game." "They're saying to themselves, 'Why pay full tuition at Stanford when you can get almost as good an education at Berkeley for one-third the price?' "

Economists and educators suggest that the findings challenge the underlying logic of the way public higher education is priced. With strong support from taxes, most public institutions charge uniform fees to all. But many experts argue that the pricing system unfairly burdens taxpayers and hard-pressed middle-income students alike. The better way, they assert, would be to charge on a sliding scale according to family income, long the approach of private colleges with strong commitments to equitable access.

"The taxpayers are getting less education for fewer people than they could have with means-tested tuition policies," argued James Day, a consultant on education finance.

It has long been conventional wisdom that public higher education is the way up for the children of low- and moderate-income families, while the affluent enjoy the perquisites of private college. The numbers show how much these demographic lines are blurring.

One reason is the price of private education. Mr. McPherson and Mr. Schapiro calculate that in 1992-93, families with incomes exceeding $60,000 paid an average of $11,600 for tuition at private four-year colleges, compared with just $3,100 at public colleges.

Another reason is the shrinking difference in perceived quality between private and public education. And the consumerist approach to picking colleges has been validated by heavily publicized college rankings that factor in price as well as quality, giving new prominence to such institutions as the State University of New York at Binghamton.

Away From Politics

• **Donald Reese, 54, who killed four men** in a 1986 robbery, was executed by lethal injection in the Potosi, Missouri, prison, a spokesman for the state's department of corrections said. *(Reuters)*

• **A 500-pound piece of space junk** in orbit for 13 years came within one and a half miles of an ozone-mapping satellite that had been dropped off by the space shuttle Discovery — frighteningly close for scientists. The rocket motor could have destroyed the German-built satellite. Discovery and its crew of six were in no danger. *(AP)*

• **About 20,000 pounds of frozen hamburger** patties sent to stores in 33 states may be infected with E. coli bacteria, according to Hudson Foods Co. of Rogers, Arkansas, which is recalling the meat. *(AP)*

• **The percentage of pre-teens who know** a friend or classmate who has used illegal drugs such as cocaine and heroin more than doubled between 1996 and 1997, a university study said. The survey, sponsored by the Commission on Substance Abuse Among America's Adolescents, found that 23.5 percent of 12-year-olds said they knew someone who used such hard drugs — a 122 percent increase from last year. *(AP)*

• **Drug-makers would have to test** whether the medicines they sell to adults are safe and effective for children's use also, under a Clinton administration proposal. Most prescription drugs are not labeled for children's use because they never were tested in children. *(AP)*

AMERICAN TOPICS

New York Harbor Muck Finds New Use as a Plug

In New York Harbor, shoals of accumulated river-borne mud threaten maritime commerce. The mud, which contains traces of heavy metals and other pollutants, was long dredged and dumped at sea, but federal rules now prohibit that practice. Meanwhile, Pennsylvania has been looking for ways to seal the more than 9,000 abandoned surface mines that scar the state's largely rural countryside and leach acid runoff into rivers and streams.

Bingo! In what is being called a win-win solution, harbor officials hope to soon begin shipping the mud to Pennsylvania, where it will be mixed with ash and other materials to form a sort of cement sufficiently stable to plug the mines for thousands of years. But not everyone is buying this. Some environmental groups in Pennsylvania grumble that their state already takes more imported garbage and hazardous waste than any other. This solution has yet to be officially chosen, The New York Times notes.

But proponents say no other option comes close to providing receptacles sufficient for the mud to be dredged for many years to come. This is not municipal waste, enthused John Cahill, the New York commissioner of environmental conservation: It's a resource.

Short Takes

In flying, there is a sense of freedom like nothing else, says Henry Kisor, 57, a newspaper editor who has piloted small planes for five years. Sounds like any other flying enthusiast? Mr. Kisor is one of just over 70 deaf or hard-of-hearing private pilots with federal certification. While they are barred from flights requiring a radio, that keeps them out of only 7 percent of U.S. airspace below 18,000 feet (5,500 meters), primarily around big-city airports, notes the Chicago Tribune.

Residents of Walden, New York, may have laughed when Bob Wohlfeld, a disk jockey at a radio station in nearby Poughkeepsie, began using their town in the Catskill Mountains as the butt of jokes on his morning program. But no more. Mr. Wohlfeld portrayed Walden as a backwoods hollow of no redeeming character, The New York Times reports. Its people, he said, hold weddings in abandoned cars. They use discarded refrigerators as lawn ornaments. They patronize local bars that have a two-tooth minimum. Squirrel is a preferred source of protein. Folks in Walden stopped laughing when out-of-towners began repeating the jokes; they claim the notoriety has even sharply reduced real estate values. But finally, relief. Mr. Wohlfeld has been hired by a station some distance away, in Albany.

Brian Knowlton

Sihanouk Calls for Peace

King Also Says Offer to Abdicate Is Rejected

Compiled by Our Staff From Dispatches

PHNOM PENH — King Norodom Sihanouk urged Cambodia's leaders Wednesday to help end the violent upheaval in their country and said his offer to abdicate had been rejected by Second Prime Minister Hun Sen.

The king released the statement after a meeting Tuesday with the country's top leaders, including Mr. Hun Sen, at his Beijing residence.

While the king has acknowledged Mr. Hun Sen's rule, he has remained vague about supporting him.

"Please try to the maximum of your powers to allow the nation and the people to enjoy again peace and prosperity, to eradicate war, insecurity and violence," the king said in the statement.

United Nations human rights investigators have documented at least 40 killings of Mr. Hun Sen's opponents since his July coup that ousted the former first prime minister, Prince Norodom Ranariddh, the king's son.

There also have been reports of widespread intimidation of Ranariddh supporters outside the capital.

Responding by fax to reporters' questions, the king said that Mr. Hun Sen had turned down his offer to give up the throne. If the king were to abdicate, it would have clear political repercussions.

King Sihanouk is highly regarded by Cambodians, and his resignation would be seen as an act forced upon the king by Mr. Hun Sen.

Political analysts in Phnom Penh said King Sihanouk's statements indicated that the monarch had decided to engage in peace efforts with the government despite frustration over recent violence and the ouster of his son.

"He is asking the government to exercise restraint," an Asian diplomat said, adding, "He's not turning his back on the government or the country."

In China on Wednesday, Chea Sim, Cambodia's acting head of state, and Mr. Hun Sen met with the Chinese prime minister, Li Peng.

Mr. Li urged them to respect King Sihanouk and to resolve the country's political crisis in a peaceful manner, according to the Xinhua press agency.

Xinhua said the three met at the seaside resort of Beidaihe. It quoted Mr. Li as saying, "King Sihanouk is loved and esteemed by the Cambodian people and enjoys high prestige abroad, so respecting the role and influence of King Sihanouk will serve the interests of the Cambodian people."

The meeting was the clearest indication to date that Beijing would adopt a "business as usual" approach to the new regime in Phnom Penh.

"Stressing that China would "never interfere" in the affairs of another country, Mr. Li was quoted as telling the delegation that Cambodia's problems "must be resolved by the Cambodian people." *(AP, Reuters, AFP)*

Pyongyang Eases Bar on Seoul Talks

Reuters

TOKYO — North Korea, hinting at a softening of its staunch refusal to negotiate with South Korea, said Wednesday that it would talk to Seoul if it made positive moves to improve ties.

The statement, an official excerpt of an essay by the North Korean leader, Kim Jong Il, came a day after a group of U.S. lawmakers quoted North Korean officials as saying Pyongyang would never deal with the current Seoul government.

"If the South Korean authorities show a positive change in practice, we will sit face to face with them any time, have an open-hearted negotiation with them over the destiny of the nation and make efforts for national reunification hand in hand with them," said the statement, which was carried by the official press agency KCNA and monitored in Tokyo.

"We will follow what attitude and stand the South Korean authorities take and how they act," it added.

The essay, published Aug. 4, was intended to mark the 52d anniversary of Korea's liberation from Japanese colonial rule, which is Friday.

The Stalinist state's de facto leader called on Seoul to abolish its National Security Law, under which South Koreans are banned from making unauthorized trips to North Korea.

The essay also said that the United States, "a party directly responsible for the Korean issue, must completely change its anachronistic Korea policy and stop hindering the independent and peaceful reunification of Korea."

While Mr. Kim called on Washington to sign a peace treaty with Pyongyang, his essay did not mention U.S.-led efforts to start formal talks on a permanent peace arrangement to replace the armistice that ended the 1950-53 Korean War. Preparatory talks involving the United States, China, and North and South Korea were held in New York last week but ended without final agreement. They are to resume Sept. 15.

BRIEFLY

Koreans Protest in Guam

AGANA, Guam — Relatives of the victims of the Korean Air crash held a sit-in Wednesday at the Guam airport, angered by problems with returning the remains of the victims to South Korea. About 50 protesters, sitting at the Korean Air ticket counter, complained that the recovery of remains from the crash site was taking too long.

The crash last week killed 226 people, and dozens of bodies are still in the wreckage. The recovery work has been hindered by the rough, muddy terrain and, in recent days, by heavy rain. The remains of 10 victims were flown back to Seoul early Wednesday. *(AP)*

Trains Collide in Japan

TOKYO — A passenger train crashed into a stopped freight train in central Japan, injuring 43 passengers, the police said. The passengers were treated for minor injuries at local hospitals.

There were about 180 passengers aboard the JR Tokaido Line passenger train when it crashed late Tuesday, the police said. Most of the 43 people injured were riding in the front two cars. The accident occurred at about 11:20 P.M. near a crossing in Numazu, 60 miles (100 kilometers) southwest of Tokyo.

The passenger train slammed into the rear of the freight train, which was stopped at the crossing while its driver checked an emergency signal, police said.

The passenger train was en route from Mishima, near Numazu, to Shizuoka, 95 miles west of Tokyo. Police are investigating the cause of the crash. *(AP)*

Taiwan to Boost Latin Ties

TAIPEI — Taiwan announced Wednesday that President Lee Teng-hui would visit four diplomatic allies in Central and South America next month, a trip seen as the latest round in a diplomatic tussle between Taipei and Beijing.

Foreign Minister John Chang said Mr. Lee would visit Panama, Honduras, El Salvador and Paraguay, leaving Taipei on Sept. 4 and returning Sept. 19.

Foreign Ministry officials said Mr. Lee would make stops in Hawaii on Sept. 4-5 and Sept. 17-18. The United States has agreed to issue a transit visa for Mr. Lee, despite China's warning that it would hurt Chinese-U.S. ties. *(Reuters)*

Sachiyo Furuichi/The Associated Press

A car being lifted off the tracks Wednesday after two trains collided in central Japan.

New Terror Bill in Pakistan

ISLAMABAD — Pakistan's National Assembly passed an anti-terrorism bill on Wednesday giving the government sweeping new security powers, including the right for police to shoot suspects on sight. The opposition Pakistan People's Party, led by Benazir Bhutto, walked out of the assembly in protest.

The bill, which now goes to the Senate, is an attempt to stop a wave of killings that has shaken Pakistan in the run-up to the celebration of 50 years of independence. More than 225 people have been killed this year in a feud involving rival wings of an ethnic party in Karachi, while a vendetta between militant Sunni and Shiite Muslim factions has cost 140 lives, mostly in Punjab Province.

The law would authorize policemen or soldiers to fire on anyone committing, or believed to be about to commit, a "terrorist" offense. The security forces would also be allowed to arrest terrorist suspects without a warrant and to search any premises and seize weapons or anything else used or likely to be used in a terrorist offense, also without a warrant. The bill calls for the death penalty for any terrorist whose action has resulted in a death, and a sentence of between seven years and life imprisonment in other cases. *(Reuters)*

For the Record

At least eight people were killed and 12 were missing after a passenger ferry collided with a cargo boat on Viemam's Red River, officials said in Hanoi on Wednesday. *(AFP)*

China will require students sent overseas next year to post a bond of up to $6,000 to ensure that they return, the official Xinhua press agency has reported. *(AP)*

ANNIVERSARY: *2 Different Destinies in Subcontinent as India and Pakistan Mark Independence*

Continued from Page 1

come recurrent problems. Separatist movements in border areas — Muslim-majority Jammu and Kashmir, Sikh-majority Punjab and the culturally distinct Northeast — have been contained through heavy-handed tactics that critics contend violated human rights. Communal and caste conflicts periodically have erupted into violence.

Corruption has been another major problem plaguing Indian democracy, and military-dominated Pakistan as well. Popular disgust with official corruption has been one reason the mood preceding anniversary celebrations planned in New Delhi, the capital, and other major cities has been subdued.

Another reason: Democracy has not met expectations for social and economic progress. More than one-third of Indians are poor; nearly half are illiterate. The standard of living remains so low that $100 a month rates as a middle-class salary. About 40 percent of Indians do not have access to safe drinking water; 70 percent do not have a toilet.

"After 50 years, though democracy has come to stay, it has not brought the benefits that was expected of it," said S. Nijalingappa, 95, another surviving member of India's constitutional assembly.

Nor has there been joy in Islamabad, the still unfinished capital of Pakistan, despite being under democratic rule for nine years, the country's longest stretch of freedom from authoritarianism. Many of the same social problems beset Pakistan, which has a lower literacy rate, 37 percent, than India. Although Pakistan's average income is higher, $465 versus $360, its economy has become so overburdened with debt and defense spending that Prime Minister Nawaz Sharif has solicited personal donations and deposits from the nation's 130 million citizens and from Pakistanis abroad to help keep the country solvent.

"Pakistan is in an economic mess," said Ayesha Jalal, a historian at Columbia University who grew up in Pakistan. "Pakistanis have a lot of thinking to do about how to straighten out this mess."

Indians did the better part of their political thinking before independence. During the two decades before independence, annual conventions of the Indian National Congress led by Gandhi and Jawarhalal Nehru passed resolutions that shaped a consensus on creating a secular democracy. That groundwork made it easier, after independence, for India to draft a final constitution in three years and hold its first national election, electing Nehru as the first prime minister, in 1952.

Surprisingly, in the aftermath of partition's communal violence, religion did not present a major issue to the 300-member constitutional assembly. Miss Rasul and 30 other Muslim members, for instance, did not press for continuing a British practice of having Muslims elect Muslims and Hindus elect Hindus in separate voting for parliamentary and legislative seats. Instead, representatives of the Muslim minority adopted an accommodating posture, which Miss Rasul described as: "We have demanded Pakistan for Muslims," and "We have no right to ask for anything more from the majority community here."

Caste, the traditional ranking of Hindus into four main tiers and 2,200 subcastes, did not prove much of an obstacle either. B.R. Ambedkar, a lawyer who came from the subcaste known as the Untouchables, and who had a graduate degree from Columbia University, chaired the drafting committee and ushered in provisions that banned caste discrimination and authorized quotas in government employment, Parliament and state legislatures.

The most divisive issue was language: Southerners feared what they called "Hindi imperialism," the imposition of an alien northern tongue as the official language. Ironically, many southerners favored the language of the departed colonial masters: "Hindi never, English ever." Gandhi endorsed Hindustani, a blend of Hindi and Pakistan's official language, Urdu.

The first ballot resulted in a tie, according to Ranbir Singh Chowdhari, who represented northern Punjab state in the assembly. Hindi won the second time by a single vote because a Hindustani supporter was absent. Under a compromise formula, English would be the official language until 1965, when Hindi would be substituted.

Still, for the first decade of independence, it looked as if a young India might trip over its multilingual tongue and fall apart. Anti-Hindi riots occurred in the south, where ethnic Dravidians speak distinct languages from northern Aryans. Some protesters immolated themselves. The biggest threat to national unity did not fade until the Congress Party reached back into its preindependence past for a solution.

At Gandhi's prompting, the Indian National Congress, the party's precursor, had reorganized its chapters around India in 1920 to conform to regions where major languages were spoken. Later, Congress promised that after independence, states would be created along lingual lines. Although Nehru initially balked, India gradually redrew state boundaries on that basis from 1953 to 1973. In addition, English has continued to be used in central government communications after 1965, despite what the constitution says.

The language issue has since lost its divisive power.

In Karachi, the port city that served as Pakistan's first capital, it took nine tortured years to write a constitution, which turned out to be just the first of three. The long delay considerably damaged prospects for democracy in the new nation.

Besides the fundamental question of whether Pakistan would be a secular democracy or an Islamic republic, the 80-member constitutional assembly wrestled with how to apportion political power between East Pakistan and West Pakistan.

The Muslim League had not worked out either issue beforehand. A separate Muslim homeland was first proposed in 1930 by the league's leader at the time, the poet Muhammad Iqbal, but it was not until 1940 that the membership ratified the idea. Less than a year before partition, Jinnah was still negotiating unsuccessfully with British officials and Congress leaders for a satisfactory alternative to guarantee the rights of minority Muslims.

"Where was the time to work out all the details?" said Shaista Ikramullah, 81, one of two known surviving members of Pakistan's constitutional assembly.

The bigger problem was apportionment of parliamentary seats. East Pakistan was more populous, but the capital and military headquarters were in West Pakistan. "They were just not prepared to share power equally with East Pakistan," Miss Ikramullah recalled. East Pakistanis "were in the majority, but economically they were backward."

The first constitution, adopted in 1956, settled both questions by proclaiming Pakistan an Islamic republic and apportioning parliamentary seats equally between the eastern and western wings. But by then it was too late. Five years earlier, the military had swept into the power vacuum and taken charge, at first working through top bureaucrats, Mr. Jalal said. The military's role grew more open in 1954 when the army's commander, General Mohammad Ayub Khan, was named to the cabinet along with other high-ranking officers.

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EUROPE

As Russian Church Regains Old Status, the Faithful Fade Away

By Daniel Williams
Washington Post Service

MOSCOW - The newly built Christ the Savior Cathedral rises high over the Moscow skyline, its gleaming domes and giant bells attesting to the revival of Russian Orthodox worship in Russia.

Across the country, Orthodox churches, monasteries, publishing houses and congregations have found new life in a post-Communist renewal of faith — and of church property.

Yet, for all these signs of restored glory, Russian Orthodoxy seems to be wrestling with feelings of insecurity. It is not the heavy hand of a totalitarian state that makes church leaders and clergy uneasy, but declining enthusiasm among believers.

Church attendance is down. Although the Orthodox Church is widely regarded as the most trustworthy of Russian institutions, few Russians want to see their children join the clergy and fewer and fewer Russians are donating money, polls show.

That sense of spiritual decline forms the backdrop to an intense political battle being fought here over religious rights, church officials and priests say. The Orthodox hierarchy, led by Patriarch Alexy II, is backing a bill that would favor Russia's four "traditional" religions — Orthodoxy, Islam, Buddhism and Judaism — and restrict the activities of all others, including the world's Catholic and Protestant churches. Orthodoxy, by far Russia's biggest religion, is listed as the first among equals.

Last month, President Boris Yeltsin vetoed the bill, but he quickly began negotiations to find a compromise. He is looking for a formula satisfactory both to the Orthodox leadership, which says Russia's religious marketplace needs order, and to human rights critics, who assert that limits would represent a step back to authoritarian rule.

The U.S. Senate has threatened to cut off aid if the measure becomes law.

While commonly portrayed as a battle between Orthodoxy and other religions and denominations, the struggle also plays into a debate within the church. Participants on all sides are asking the same questions: How does Orthodoxy carry on in the first democratic experience for it and Russia? What kind of Orthodoxy will be housed under the newly polished domes and whitewashed walls of its ancient churches?

"We are now past the era of euphoria and into a period of a search for normalcy," a church spokesman, Vsevolod Chaplin, said in an interview at the Orthodox patriarchy's offices, adjacent to an old monastery. "We have said many times that we are not seeking to be a state religion. We only question whether every sect that comes to Russia should have a legal status."

Father Alexander Borisov, a parish priest who opposes the bill and favors getting along with other religions, countered: "We must learn to live for the first time in a situation of freedom. Whatever problems we face, looking to restrict the freedom of others is not the right approach."

Such a divergence of views is alarming to an organization that has historically put a premium on unity, some observers say.

The schism that the patriarch fears most "is an internal one between the ultra-traditionalists and the modernists," wrote the English-language Moscow Times.

The religion bill passed overwhelmingly in the Duma, the lower house of Russia's Parliament, with the votes not only of Communists and nationalists who oppose the Yeltsin government but also of politicians who normally back Mr. Yeltsin.

The margin of passage seemed to reflect changes in the political atmosphere. Russians' eagerness to embrace freedom for freedom's sake after the fall of communism appears over.

Father Borisov tells of a question he hears frequently from listeners to his weekly call-in radio program: "People ask why Russia needs so many religions. Isn't four enough?"

At the beginning of the decade, Russians flocked to Orthodox services, religious lectures and exhibits of precious icons. As the officially atheistic Soviet Union crumbled, old and young alike quickly lined up for long-postponed baptisms.

The church spokesman said that erosion of such enthusiasm was natural, especially given the mounting problems faced by Russians as they adapt to the competitive life that democracy and the free market have brought. "People expected the church to solve all problems. They soon felt discouraged."

Church leaders perceived another threat to Orthodoxy: foreign missionaries. Encouraged by constitutional protections, representatives of numerous religions — Christian and non-Christian — flocked to Russia in search of converts.

In big cities like Moscow, street-corner proselytizers added to the cosmopolitan air.

In small towns, their arrival was sometimes welcomed, but it sometimes created resentment.

Occasional reports of missionaries being run out of towns surfaced in the Russian press.

Patriarch Alexy has spoken darkly of the dangers of "totalitarian sects" and referred to Aum Supreme Truth, the group that attacked Tokyo subway riders with poison gas, as a prime example.

Church officials frequently portray foreign proselytizers as parasites and debauchers of Russian morals.

"Anyone with a few bottles of vodka can sign up 10 people and form a church," the spokesman said. "And then they immediately become qualified for tax breaks."

It seems barely evident that the Orthodox Church is under threat from abroad. Recent surveys say 50 percent of Russians identify themselves as Orthodox, even if far fewer are churchgoers.

Close relations with public officials and the mayor of Moscow have benefited the church materially.

For a time, the Yeltsin government awarded the Orthodox Church a license for tobacco imports that provided a windfall in the post-Soviet era.

Christ the Savior Cathedral, a reproduction of a church ordered destroyed in the 1930s by Stalin, was built with the help of donations solicited by the Moscow mayor, Yuri Luzhkov.

Dissidents who favor openness to other religions say that by raising the foreign threat, church conservatives hope to prod the government to do what the church feels unable to — keep the flock faithful.

Gleb Yakunin, a dissident Orthodox priest who was defrocked for political activism against church rules, said the church has become accustomed to identification with the government.

In Soviet times, the church was both persecuted and officially recognized. "They want state protection, though this time without state repression," he said.

2 Admit Guilt As Germans Face Tainted Food Scare

Compiled by Our Staff From Dispatches

KONSTANZ, Germany — A German couple admitted in court Wednesday to having threatened to poison food products in an attempt to extort more than $750,000 from a Nestle subsidiary.

The police, meanwhile, were responding to a new extortion threat against another subsidiary of Nestle, a Swiss-based food conglomerate.

Products sold under the brand name Thomy were being inspected in 56 German supermarkets named in an unsigned letter received at Nestle's German headquarters in Frankfurt that said poisoned food had been planted four weeks ago.

So far, no tampered products have been found. The extortionists' demands have not been made public.

The police suspect that the perpetrator could be the same person who placed tubes of Thomy mustard and mayonnaise, which were laced with cyanide, in two supermarkets in April.

In the trial Wednesday, Maggi, a Nestle subsidiary, was one of three food companies targeted by a 39-year-old engineer who entered a guilty plea in Konstanz state court. He faces a separate trial for two other cases involving failed attempts in March to extort $500,000 from Kraft Jakobs Suchard and Knorr.

His 37-year-old wife was charged only in the Maggi case. Prosecutors said the husband had demanded $500,000 from Maggi in two letters last winter threatening that products would be poisoned. The wife wrote a third letter in March, raising the demand by 500,000 Deutsche marks ($269,000), prosecutors said.

Nestle's German unit, Deutsche Thomy GmbH, has been the target of blackmail for the past 12 months and received fresh demands in a letter Monday warning that its food products in stores had been poisoned.

Authorities did not inform the public until Tuesday evening about the letter, the latest in a series of blackmail attempts that only became public in April after poisoned food was found in stores in two German cities.

After the latest blackmail attempt the police said they still did not know whether the extortion plot was the act of an individual or a group.

"We have no clues," said Franz Winkler, a spokesman for the police in Frankfurt.

The Aug. 11 letter also claimed that, four weeks ago, 23 packages of poisoned Nestle products had been left in public areas such as parks, street cars, buses, train stations and phone booths, the police said.

The blackmailer claimed to have left packages in cities such as Berlin, Bremen, Chemnitz, Dortmund, Dresden, Frankfurt, Hamburg, Cologne, Munich, Nuremberg, Regensburg and Stuttgart, the police said.

The announcement sparked a nationwide alert and some 10,000 people flooded the police with phone calls and another 60,000 called — but were unable to get through — after an emergency number was broadcast to the public on Tuesday.

The police said they considered the threat to be very serious and warned shoppers to return Nestle products bought since Aug. 1, but stressed that they had found no contaminated food.

(AP, Reuters)

Peter Brenneken/The Associated Press

A woman returning Nestle foods to a supermarket shelf in Dortmund after an extortionist claimed the company's products had been poisoned.

Cults Show Switzerland's 'Hidden Side'

New York Times Service

GENEVA — Nearly 1,000 people gathered in a picturesque Alpine valley this week to celebrate a movement that advocates cloning to promote human happiness.

The Swiss-based movement follows the teachings of a 50-ish Frenchman who goes by the name Rael and who says he has been visited by creatures from another planet. Rael believes that, like characters in the Hollywood movie "Contact," extraterrestrials are linked to people on Earth.

The movement grabbed headlines in June by offering human cloning services, urging those who were interested to write to its Geneva post-office box.

Rael claims to have been contacted in 1973 by almond-eyed aliens who created mankind in laboratories and who will return to Earth one day.

The Raelian movement, which says it has 35,000 members in 85 countries, is "quite strong" in Switzerland, said Brigitte Boisellier, the movement's spokesman.

"The Swiss are tolerant," said Miss Boisellier, a chemist, explaining that the group feels more comfortable meeting here than in France. "They have respect for beliefs."

Although Switzerland is dominated by the Protestant and Roman Catholic religions, its longtime history of tolerance has made it fertile ground for a number of unusual faiths.

But recently, the phenomenon has grown, at a time when Switzerland, with one of the world's best-educated and wealthiest populations, is undergoing its worst economic downturn since World War II and is being buffeted by charges about its conduct during the war that have tarnished its national mythology.

The Swiss involvement in religious sects was spotlighted in 1994 by the deaths of 48 members of the Order of the Solar Temple. Swiss professors who have studied sects estimate that there are 90 to 120 such groups in the Geneva area alone. "There are only a small number of people belonging to all these sects — it's probably not even 1 percent of the population," said Roland Campiche, an expert in the subject at a center in Lausanne for religious studies. "But it is a very significant phenomenon."

The Swiss, in contrast to their often dour exterior, "need to be a little bit crazy," said Georg Schmid, a professor who also operates a sect information center in Zurich. "We have a hidden side. We often live this out in our religion. It's our relief and our escape."

The Swiss fascination with nontraditional beliefs could be seen at a recent fair in Geneva that featured 22 European psychics.

More than 8,000 people, up 25 percent from last year, showed up for seances during the 10-day fair. Hundreds had to be turned away, said the organizer, Claudio Allessi, who attributed the heightened interest to economic uncertainty. "Many are asking whether they will lose their jobs," he said.

Growing disaffection with established churches also has driven people to alternatives, said Philippe Borgeaud, a professor of religious history at Geneva University.

"People have an appetite to believe something," he said. "But the sects don't only provide spirituality, they give a power or importance to people who are lacking it."

Concern over sect influence prompted Geneva's government this year to examine possible legal safeguards against abuses.

"The Solar Temple was a wake-up call for us," said Francois Bellanger, a lawyer who was appointed to draw up a lengthy list of proposed measures this spring. His recommendations, however, "deal only with illegal acts" that might be committed, he said. "Who has the right to judge what people believe?"

Church Fears Low Turnout For Pope Visit

Reuters

PARIS — The turnout for Pope John Paul II's visit to Paris next week, coinciding with a Roman Catholic youth festival, could fall far short of expectations, organizers said Wednesday.

"The No.1 question is whether there will be as much public interest as there was during the Pope's last visit," said a church official, speaking on condition he not be identified.

Monsignor Michel Dubost, chief organizer of the church's World Youth Days set for Aug. 18 to 24 in Paris, said at a news conference that as many as 500,000 people might attend a papal Mass Aug. 24 in western Paris.

A few days earlier, organizers said as many as 650,000 people would attend.

"Frankly, I have no idea," Father Dubost said when pressed on what the turnout would be.

With Paris in the grip of a heat wave, there is little evidence of a swell of enthusiasm for the pontiff's sixth visit to France, which begins Aug. 21. But there is also little sign of the angry demonstrations that preceded his previous visit, in September 1996, when thousands protested against state aid for his activities in France, where a 1905 law separates church and state.

Officials acknowledged that far fewer people than forecast had signed up to attend World Youth Days and fewer families than expected had agreed to house young people.

Organizers originally predicted that 600,000 "young people" — which the church defines as 17 to 35 years old — would pour into Paris for the festival. A few months later, that figure was revised downward to 300,000.

By this week, officials were predicting that 220,000 people would attend the festival, with several hundred thousand others expected for a Saturday evening event and a Mass on Sunday at the Longchamp race course.

BRIEFLY

Turkish Cypriots Reject UN Proposal

GLION, Switzerland — Rauf Denktash, the Turkish Cypriot leader, on Wednesday rejected new UN proposals aimed at fostering compromise in Cypriot intercommunal peace talks but will stay at the negotiating table, a senior Turkish official said.

Inal Batu, deputy undersecretary of the Turkish Foreign Ministry who is in this Swiss village representing the Ankara government, said Mr. Denktash had refused to discuss or sign the document presented on Tuesday at his meeting with the Cypriot president, Glafkos Klerides, and the United Nations special negotiator, Diego Cordovez.

"But the negotiations will continue," Mr. Batu said.

Mr. Cordovez, chairing the five-day session that ends Saturday, had earlier presented Mr. Denktash and Mr. Klerides with an amended version of proposals he had presented at July's inconclusive first round of Cyprus talks in New York. *(Reuters)*

Bus-Truck Collision Kills 8 in France

BORDEAUX — A bus carrying a Portuguese folk ensemble rammed into a truck in southwestern France on Wednesday, killing at least eight people and injuring 24 others, the police said.

The accident took place just after midnight when the bus, with 42 people aboard, crashed into the rear of a truck loaded with corn that was turning onto the RN 10 highway between Bayonne and Bordeaux, police said. The injured included the driver of the truck.

Neither vehicle appeared to have been traveling at excessive speed. Police have launched an investigation to determine the cause of the crash.

The bus was returning from the village of Saint-Gillis-Waas in Belgium following a folklore performance to the town of Agueda, 200 kilometers (125 miles) north of Lisbon. *(AP)*

Italian Parties Assail Immigration Policy

ROME — Opposition parties on Wednesday blasted the government's border control policies and demanded a crackdown on illegal immigration following a spate of violent incidents involving foreigners.

The separatist Northern League said people entering Italy without proper permits should be sent to work camps, while the hard-right National Alliance urged swift repatriation for all illegal entrants.

Running battles earlier this week between rival North African drug clans erupted in the northern city of Padua. Recent sex attacks at the Adriatic resort of Rimini allegedly involving Africans and the growing problem of Albanian drug and prostitution rackets have added to the tension. *(Reuters)*

British Army Growls Over Attack on Hat

LONDON — Worn since the Napoleonic Wars and still loved by tourists who crowd to see the changing of the guard at Buckingham Palace, the British Army's towering bearskin hat may be about to meet its Waterloo.

The Ministry of Defense said Wednesday that it had ordered a search for synthetic alternatives to bearskin, because of its concern for the welfare of the Canadian brown bear. Bearskin hat lovers countered that only skins from culled bears are used.

A senior officer said his regiment would fight any move to replace the bearskin.

"I am not sure exactly what the problem is," said General Sir Willie Rous of the Coldstream Guards. "The bearskin is available, and the animals are not endangered, indeed they are culled. The bearskin is genuine and it is traditional." *(AP)*

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U.S. Envoy Fails to Get Clear Result in Mideast

Ross Sees Some Progress on Security

By Douglas Jehl
New York Times Service

JERUSALEM — An American special envoy wound up his emergency mission to the Middle East on Wednesday night with no clear indication of whether he had succeeded in persuading the Israelis and Palestinians to begin making gestures that would allow both sides to pull back from a precipice in their partnership.

The envoy, Dennis Ross, said he believed he had begun to revive security cooperation between the two sides after trust between them collapsed in the recriminations that followed a suicide bombing two weeks ago in a Jerusalem market.

At a minimum, Mr. Ross said, he had succeeded in preventing "further deterioration" in the ties between the peace partners. He said that Secretary of State Madeleine Albright would soon make her first trip to the region, and that he was returning to Washington to report progress made on the security cooperation on which Mrs. Albright has conditioned her visit.

But despite American urgings, the Palestinians have yet to take any of the concrete steps to crack down on Islamic militants that Israel has demanded in the aftermath of the July 30 attack, which killed 14 people and the two bombers. And despite American complaints, Israel has refused to back away from its decision to withhold millions of dollars owed to the Palestinians until the other side begins to heed its demands.

"We have to remember that we're dealing with issues of dignity on both sides," said a senior U.S. official, who added that it might be several days before it became clear whether either side would budge from what have been intractable positions. In leaving Israel Wednesday night, Mr. Ross seemed to cite as the main success of his mission the agreement by the Israelis and Palestinians to report all information they gather about the bombing to a panel whose U.S. representative will be the CIA station chief in Tel Aviv.

That three-way panel, which is to meet regularly to review intelligence gathered and actions taken by both sides, will allow the United States to monitor the extent to which both sides are making good on their commitments. In an apparent reference to the panel, whose other members will include high-level Israeli and Palestinian intelligence officials, Mr. Ross said: "I am concluding this trip with the belief that we have begun to establish the security relationship." But the mood in the region otherwise remained mostly grim.

A meeting in the Jordanian port of Aqaba between King Hussein and Prime Minister Benjamin Netanyahu of Israel also yielded little progress. Afterward, the king issued repeated warnings that relations between Israel and the Palestinians had reached "a dangerous moment."

Everyone interested in preserving the peace must now carry out "whatever means possible to prevent further bloodshed and destruction, by one side, on all sides, everywhere," the king said. "Otherwise, we cannot predict what the future will bring, except disaster."

Throughout his mission, Mr. Ross pressed the Palestinians to do more to put pressure on Islamic militants in the West Bank and Gaza while urging Israel to begin easing the punitive measures it has imposed on its peace partner. But the two sides seem to be still at an impasse over which should act first, and whether inducements offered to the Palestinians should be broader than the resumption of payment of millions of dollars owed to them by Israel, the only real reward that Israel has offered.

As the tax and customs revenues collected by Israel but owed to the Palestinians continue to accumulate, about $40 million that should have been handed over now lies in a Tel Aviv bank account, in a violation of peace accords signed by the two parties.

The suspension of those payments, which account for the majority of the Palestinian budget, has forced the Palestinian Authority to withhold paychecks from most of its 80,000 employees and to borrow heavily from local banks.

At a news conference in Aqaba that followed his meeting with King Hussein, Mr. Netanyahu insisted that Israel's use of the economic weapons was "not designed to encumber or discomfort the population."

But he made clear that he wanted to see Yasser Arafat, the Palestinian leader, make the first move in heeding Israeli demands before his own government will begin to ease its pressure.

"What we would like to see is the fulfillment of the commitment to battle the terrorists, and as we see action, any action taken in that direction, we shall adjust and change our measures," Mr. Netanyahu said.

The prime minister's refusal to ease the sanctions has infuriated Mr. Arafat and his advisers, who say that since the identity of the two bombers has still not been determined, there is no reason that the Palestinian Authority should be held culpable.

■ **Israel Demolishes Homes**

Israel on Wednesday demolished nine Arab homes in East Jerusalem and in the West Bank that it said had been built illegally, Israeli spokesmen said, Reuters reported from Jerusalem.

Five homes were destroyed in East Jerusalem, and a spokesman for Israel's West Bank occupation authorities said four homes were wrecked in the Bethlehem area.

Ali Jarekji/Agence France-Presse
Prime Minister Netanyahu reviewing an honor guard Wednesday in Aqaba before meeting with King Hussein.

PLO Told to Shut U.S. Office, For Now

Expiration of Law Suspends Operations at Mission in Washington

By Steven Lee Myers
New York Times Service

WASHINGTON — Even as President Bill Clinton's special envoy pressed his efforts in Jerusalem to revive negotiations between the Israelis and Palestinians, the Palestine Liberation Organization has officially wrapped up work at its small, tidy office on K Street.

Because Congress left for its August recess without extending a law that had allowed the United States to have diplomatic contacts with the PLO, the State Department ordered the office and its staff of eight to suspend operations, effective at midnight Tuesday night.

While the American envoy, Dennis Ross, will be able to continue his contacts with Palestinian officials — including the Palestinian leader, Yasser Arafat — the order effectively shuts down the only official Palestinian presence in Washington.

It is a largely symbolic step, but a potent one. The Palestinians may not actually have to bolt the door, at least for now, administration officials said.

But as of Wednesday, the office's staff could no longer legally conduct business in the United States, use its letterhead or even answer the phone.

In practical terms, however, members of the office could find ways to continue promoting their interests informally.

At a moment the Clinton administration considers critical to restarting the peace process, the suspension prompted sharp criticism from Palestinians and sent administration officials scrambling to keep any diplomatic damage from spilling over to the peace negotiations.

"It doesn't make any sense; it's reckless," Hasan Abdel Rahman, the chief representative of the Palestinians, said Tuesday evening. "I don't see how this can serve the interests of the United States or the peace process or Israel."

The suspension coincided with the expiration of a law — passed after peace accords between Israel and the Palestinians were reached in Oslo in 1993 — that allowed the United States to establish contacts with and give aid to the Palestinian Authority.

The law allowed Mr. Clinton to waive a web of legal restrictions forbidding contact because, by law, the PLO remains a terrorist organization.

The administration sought to extend the law but waited until the end of July, aides on Capitol Hill said. Then came the suicide bombings in Jerusalem on July 30, eliminating any possibility that the administration would be able to rally support. Several congressional aides, speaking on condition of anonymity, said the administration did not fight more aggressively to extend the law because the president could not have certified, as required by the law now expired, that the Palestinian leaders were in compliance with the peace accords, notably the requirement for full cooperation on security.

At the very least, the suspension will last into September when Congress reconvenes, but there appears to be rising sentiment against the Palestinians in the House and the Senate, raising the possibility of further restrictions.

Representative Jim Saxton, a New Jersey Republican who has sponsored legislation to suspend aid to the Palestinian Authority for three months, said the lapsing of the law sent a message "that we, collectively as a country, are dissatisfied with the progress the Palestinian Authority has made."

The administration, wary of further complicating the peace process, played down the effects of the law's expiration. It emphasized, for example, that the diplomatic shuttling would continue and that the bulk of $75 million in U.S. aid to Palestinians would not be affected since it does not flow directly through the Palestinian Authority.

Said Hamad, the PLO's senior deputy chief in Washington, expressed frustration that Israel did not receive similar punishment when, in Palestinian eyes, it had violated the peace accords. Mr. Hamad said the office would remain open, if only nominally, during the recess and resume work fully afterward.

It was not clear Tuesday how far the administration would go to enforce the legal restrictions, which bar "the establishment or maintenance of an office or other facility for the purpose of furthering the interests of the PLO at the direction of, or with funds provided by, the PLO," according to a letter the State Department sent to Mr. Abdel Rahman.

The State Department spokesman, James Rubin, suggested Tuesday that the suspension would close the PLO's office more in spirit, but that it would nevertheless have an effect.

"The fact that they are suspended from calling themselves the PLO Washington office, I suspect, means a lot to them," he said.

Luther Allison, 57, Blues Guitarist Who Drew Rockers, Dies

The Associated Press

MADISON, Wisconsin — Luther Allison, 57, the bluesman whose stage energy and blistering guitar playing attracted three decades of rock and roll fans, died Tuesday.

Mr. Allison was diagnosed with lung cancer and brain tumors in July while in Madison, where he had a summer home.

He spent most of his career in Chicago playing with such fellow blues artists as Freddie King, Magic Sam and Otis Rush, said Bruce Iglauer, president of Alligator Records & Artist Management, Mr. Allison's record label.

Mr. Allison's guitar playing drew national attention in concerts in 1969 and 1970 and lured rock fans to the blues.

His first recording, "Love Me Mama," in 1969, is considered a blues classic. His most recent albums were "Blue Streak" and "Reckless," which showcased his skills on slide and acoustic guitar.

He played with almost every major blues figure since the late 1960s. He moved to Paris in the 1980s and became a popular performer in Europe, and only resumed touring in the United States after signing with Alligator in 1994.

Luigi Mennini, 86, Ex-Banker Was Tied to Vatican Scandals

VATICAN CITY (AFP) — Luigi Mennini, 86, a former head of the Vatican banking arm the Institute for Religious Works, died Monday, according to a Vatican source.

Mr. Mennini was implicated in the financial scandals surrounding the failure of a bank headed by Michele Sindona in 1974 and the bankruptcy of the Banco Ambrosiano, headed by Roberto Calvi, in 1982. Mr. Calvi was found hanged under a London bridge that June. The Vatican institute, then led by an American archbishop, had big investments in Banco Ambrosiano. Mr. Mennini was convicted on charges related to the failure, but the conviction was overturned.

BRIEFLY

Police and Rioters Clash in Lusaka

LUSAKA, Zambia — Police opened fire with live ammunition and tear gas to disperse rioters in central Lusaka on Wednesday. At least five people collapsed, suffering from injuries and the effects of tear gas, witnesses said.

A police spokesman said police headquarters received preliminary reports that three police officers were injured and one civilian was seriously wounded in the clashes. He said 66 rioters were arrested.

Rioting erupted after the police moved in overnight to shut down unauthorized market stalls. *(AP)*

24 Villagers Slain In Algeria Attack

ALGIERS — An armed group surrounded a village in northern Algeria, slit the throats of 24 people and shot and wounded 10 others who tried to flee, hospital officials said Wednesday.

The massacre happened early Tuesday in Hraouate, about 120 kilometers (75 miles) south of Algiers, raising the number of people killed in the region to 110 in the past 10 days, said the officials, who refused to be named. *(AP)*

Argentina to Get Special U.S. Status

WASHINGTON — Secretary of State Madeleine Albright indicated Wednesday that the United States was likely to grant Argentina what she called "symbolic" status as a major non-NATO ally.

"The announcement has not yet been made but we do wish to recognize Argentina's role," Mrs. Albright said during a meeting with the Foreign Minister Jose Miguel Insulza of Chile.

The designation would put Argentina in the same category as Israel, Egypt, Japan, South Korea and Jordan, and would allow the country to buy on a priority basis certain excess defense items. *(Reuters)*

GERMANS: *Concern About Mark*

Continued from Page 1

When the Bundesbank does decide to unsheathe its interest-rate weapon, however, it is expected to justify the move with the argument that a strong, inflation-free mark contributes to a strong euro.

In its latest report, the Bundesbank repeated its recent warnings on the German currency, serving notice that it would "closely follow" the mark's movements "with a view to the risks presented for price stability."

The mark has "clearly weakened further" against the dollar since the start of the year, prompting German's central bankers to give "special importance" to exchange rates, it said.

The dollar has gained over 20 percent against the mark this year to stand about 39 percent above its all-time low two years ago of 1.3450 marks.

Theoretically, the Bundesbank could begin ratcheting lending rates higher at the next meeting of its governing board on Aug. 21.

That is unlikely, particularly since the dollar appears to have been tamed for the time being, analysts said. To prevent upsetting Germany's European neighbors, the Bundesbank is expected to wait until September or October, Mr. Grebe said.

The economies in France and Italy are significantly weaker than the German economy, said Rainer Marian, economist in Zurich at Credit Suisse.

Monetary union could suffer another blow, the central bank warned, if German deficits overshoot Europe's fiscal benchmarks.

It warned that the Bonn government's 1997 revenue from taxes probably would be even lower than the government's last official estimates published in May, which already were dismal.

An Emnid Institute opinion poll released Wednesday found voters were losing confidence in Mr. Kohl's ability to resolve economic problems, and for the first time voters no longer viewed his party, the Christian Democratic Union, as the most competent party on business issues.

BOSNIA: *Allies Tighten Squeeze on Serb*

Continued from Page 1

Mrs. Plavsic has won applause in several rallies for her attacks on corruption, raising the hopes of foreign officials in Sarajevo, the Bosnian capital northwest of here.

But the level of her popular support remains untested beyond Banja Luka, in the Serb Republic's northwestern wing.

In addition, she controls few if any of the traditional levers of power, such as security forces and taxation.

The Serbian Parliament in Pale, meanwhile, has challenged the legality of her dissolution order before the Serb Republic's Constitutional Court.

The Pale-based court, which deliberated Tuesday and Wednesday, was expected to rule against Mrs. Plavsic later this week.

It has been described by foreign and Bosnian officials as an instrument of Mr. Karadzic and his ally, Momcilo Krajsnik, the Serbs' representative on Bosnia's collective presidency of three ethnic groups.

Even before the ruling, international organizations have sought to impugn its validity.

The Office of the High Representative, the international agency assigned to oversee civilian aspects of the Dayton agreement, issued a legal-sounding statement Tuesday that concluded: "Neither the government nor the Constitutional Court can suspend the implementation of that decision."

"We cannot conceive of a decision which disagrees with a legal opinion of this kind," Simon Hazelock, the high representative's spokesman, said to reporters at a briefing Wednesday in Pale, only a short distance from the court's headquarters.

Soldiers from the 35,000-strong NATO-led Stabilization Force, meanwhile, for the first time have begun regular inspections of the Serb Republic's specialist police.

The force commander, General Eric Shinseki of the United States, issued a new order Friday saying the special police must be controlled, either as soldiers by peacekeeping forces or as police by the United Nations International Police Task Force.

The blue-uniformed paramilitary police, estimated to number more than 2,000, have been the outer wall of protection for Mr. Karadzic, equipped with light artillery and armored vehicles.

One unit, so far uninspected, has long guarded the entranceway to his villa in a valley just outside this former ski resort.

Bringing them under international control — implying restrictions on their weaponry, numbers and movements — would severely increase Mr. Karadzic's vulnerability to arrest on the war crimes charges and limit his ability to move about.

Alex Ivanko, spokesman for the United Nations police monitoring force, said General Shinseki had urged Bosnian Serb authorities to begin negotiations next week with a view to reorganizing all Serbian police along lines specified in the peace agreement.

The Serb Republic has rejected this step until now.

ARMS: *A Hodgepodge of Weapons Builds Up in Southeast Asia*

Continued from Page 1

ment is not an arms race to counter an external threat, but an arms rush to possess the newest weapons."

A recent study of Southeast Asia's naval buildup by the International Institute of Strategic Studies in London concluded that although bilateral military cooperation had increased in the 1990s, naval development programs by countries in the region remained essentially national projects.

"Mainly because of persistent mutual distrust and the lack of common threat perceptions, there has been no attempt to coordinate procurement policy, build complementary force structures or establish a regional force that could deter Beijing's interference in the South China Sea," the institute said. "Indeed, the naval buildup may well intensify national rivalries in the region."

The institute noted that effective and comprehensive naval defenses required well trained, highly motivated personnel, efficient logistics, a comprehensive doctrine, inter-service cooperation and high readiness levels. "Most Southeast Asian navies still lack many of these prerequisites," it added.

Paul Dibb, a former senior official in the Australian defense department who now heads the Strategic and Defense Studies Center at the Australian National University in Canberra, said that in Southeast Asia, apart from Singapore, military maintenance was quite deficient and he doubted that many planes or warships could operate in a crisis for more than a few days.

"Already, ships and aircraft are operating with one or more combat systems or sensors not operational," he said. "There is a poor capacity to respond effectively to a sudden incident and the serviceability of combat platforms beyond two or three days of real operations is in doubt."

Mr. Dibb said this situation would probably not improve much because the growth in demand in Southeast Asia for skilled technicians in the commercial sector would drive up civilian wage levels in competition with the military.

Some Southeast Asian analysts and military planners have also expressed concern about the region's reliance on a growing number of arms suppliers and its failure to develop closer multilateral security ties.

Panitan Wattanayagorn, director of the defense studies program at Chulalongkorn University in Bangkok, said that diversifying the supply of weapons had serious drawbacks for the region.

"The strategy can pose logistic, maintenance and training difficulties because of differences in the types of equipment from various sources," he said.

In a recent policy statement, Indonesia said that China would become "the preeminent country in the region, both economically and militarily" and that Beijing's claims in the South China Sea could cause conflict with other claimant countries. "Although ASEAN was not originally intended to be a joint security organization, current conditions encourage the expansion of ASEAN cooperation to include a security dimension," Indonesia's Defense Ministry said.

Writing in the latest issue of Parameters, the professional journal of the U.S. Army War College, Major Dillon, desk officer for Southeast Asia in the office of the U.S. Deputy Undersecretary of the Army for international affairs, said that rapid economic growth in the region was yielding vastly increased revenue to buy arms.

"However, civilian government leaders use political criteria to make equipment purchases," he said. "Big-ticket items, such as ships and airplanes, are the currency of international security prestige, but they do not necessarily represent an upgrade in military capability."

After Numerous Breakdowns on Mir, 2 Cosmonauts Pack for Journey Home

The Associated Press

MOSCOW — Two Russian cosmonauts spent their last full day aboard the Mir space station Wednesday packing for home, winding up the most troublesome stint in Mir's 11-year history.

Vasili Tsibliyev and Alexander Lazutkin will head back to Earth on Thursday after six months of cosmic misfortune on the orbiting station.

"Their whole mission has been like one big problem," said Olga Kozerenko, chief of the psychological support team at the Russian Mission Control center near Moscow.

Miss Kozerenko said the crew had made Herculean efforts to keep the station running during a series of breakdowns, sometimes working 15 hours a day.

"Tsibliyev and Lazutkin have been over-tired, literally exhausted by all those accidents, and a weary person can make a mistake," she said to the Itar-Tass news agency.

Yet another source of trouble may burden the station's new crew.

On Wednesday, the National Aeronautics and Space Administration said Mir's water supply may run out in six to eight weeks if its humidity recycling system remains unusable.

According to Viktor Blagov, deputy chief of Russian Mission Control, the space station now has enough drinking water to last until Oct. 7 or 10.

The space shuttle Atlantis is due to bring water when it arrives in late September.

In addition, a Russian cargo ship carrying water is scheduled to blast off for the space station on Oct. 1, he said.

Normally, humidity aboard Mir is condensed and recycled into drinking water.

But antifreeze fumes from months-old leaks in the cooling system may have contaminated the recycled water, Mr. Blagov said.

COURT: *Birthing Pains for World Tribunal*

Continued from Page 1

Ms. McDonald, a civil rights lawyer and former federal judge in Texas. The tribunal juggled common law, civil law and military justice systems, she said.

"We basically created an international code of criminal procedure," she said. "I think we have been able to conduct a fair trial in an international setting." The only flaw in the system, she added, is that the present tribunals lack the power to order or make arrests, slowing the judicial process considerably.

David Scheffer, who last week was sworn in as the administration's special envoy dealing with war crimes, said Tuesday that the United States had three major areas of concern: how cases get to the court, whether or when international law would complement or supersede national systems and how the court's procedures are defined.

Washington wants the Security Council to be the arbiter of what cases would go to the international court, a view at odds with nearly all other countries. Europeans and some Latin American nations would give prosecutors wide latitude in bringing cases. Other nations, especially in Asia, want governments to have some control over all stages of the court's activities.

"You cannot have a system that tries to end-run the Security Council," Mr. Scheffer said Tuesday.

In the developing world, U.S. insistence on Security Council jurisdiction raises fears that Washington would use its influence to choose which cases it would allow the court to hear. The United States and the other permanent Council members — Britain, China, France and Russia — could use their veto to limit jurisdiction.

"The international criminal court could be used to harass nations of the south," said Connie Ngondi, executive director of Kenya's branch of the International Commission of Jurists. Monday. She said there was also apprehension that an international criminal court would have too much power to intrude in a country's internal affairs.

The United States says the court's jurisdiction should be limited to cases of genocide, crimes against humanity and war crimes, with sexual assault built into the definitions.

Romania Investment Summit

Athenée Palace Bucharest Hilton, October 29-30, 1997

Romania is increasingly attracting the attention of the international investment community. To assess future investment potential and to highlight the reforms Romania is putting in place in a bid to position itself as one of the more exciting investment opportunities in the world, the International Herald Tribune will convene a major investment summit in Bucharest on October 29-30, 1997.

President Emil Constantinescu will give the opening keynote address of the Romania Investment Summit. He will also host a special dinner for speakers, delegates and guests on the evening of October 29 at Cotroceni Palace.

The fact that President Constantinescu has agreed to support this summit as an integral part of the Romanian government's efforts to attract foreign investment is a measure of the importance of the summit.

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Herald Tribune

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No to the Pentagon

In 1991, the Vietnam Veterans of America Foundation opened a shop in Phnom Penh to make and fit artificial limbs for Cambodians. The veterans, who had always considered land mines just one more weapon of war, began to see their special cruelty.

"Every other weapon got put away after the war," says Bobby Muller, the group's president. "But land mines were still causing horribly debilitating and painful injuries. And the victims were the poorest of the poor. Many knew the area where they were gathering firewood was mined, but they had no choice."

Now the group is one of the leaders of the American effort to ban land mines, which kill or injure 2,000 people around the world every month, the majority of them civilians, many of them children.

In the next few days, President Bill Clinton will decide if Washington should support the ban. Final negotiations on a treaty to bar the production, stockpiling and export of these mines will go forward in Canada next month. The president should make sure that Washington is there.

So far, nearly 100 nations have endorsed a draft treaty. The ban also has wide bipartisan support in the United States, ranging from the Quakers to a retired general, Norman Schwarzkopf. Sixty senators, including every member of the Senate who saw combat in Vietnam, have endorsed a near total ban.

Unfortunately, the consensus does not yet include Mr. Clinton. He has so far been guided by the Joint Chiefs of Staff, who argue that land mines are necessary to protect American soldiers. The evidence says otherwise.

Land mines are the poor man's weapon, offering no advantage to the high-tech American military. They were the principal cause of casualties in Vietnam, killing or maiming nearly 65,000 American soldiers. The Pentagon's own studies show that nearly 90 percent of the mines involved were made in America or from captured American parts.

Pentagon officials say they oppose a ban because they want to be able to continue using "smart," self-destructing mines, technology that America dominates. But allowing the United States to keep making land mines would close off any possibility that other nations would stop making theirs.

Mr. Clinton has endorsed some useful measures, such as extending a moratorium on American exports of land mines. But he has also concentrated American efforts on a UN Conference on Disarmament that has made no significant progress and by now seems little more than a stalling mechanism.

It is embarrassing to see the United States equivocating over this issue instead of strongly supporting a land mine ban. To do so, Mr. Clinton must first look beyond the narrow and mistaken advice of the Pentagon.

— THE NEW YORK TIMES

Angolan Showdown

What is most painful about Angola, which may be about to fall into a new bout of civil war, is that the United Nations and key governments went to such great lengths there to bring relief and peace. Angola was the scene of one of the classic Cold War power struggles. In time, two successive peace accords were hatched; the United Nations patiently tried to enforce the second with its largest and most expensive peacekeeping force ever.

There were flaws in the peaceseeking effort, but it was a worthy one. It will be a bitter blow — and not just to one sad, torn African nation — if the effort is finally seen as a failure. It will be taken as a warning against friendly international interventions in local conflicts elsewhere.

If it happens, however, there will not be much argument about what went wrong in this phase. The bulk of the responsibility will fall on the Angolan faction led by Jonas Savimbi. Not that his arch-rival over the decades, President Jose Eduardo dos Santos, does not deserve a share of the blame, especially now if he launches the sort of premature attack that could destroy the lingering possibilities of a political rescue operation.

But Mr. Savimbi, who was once the United States' and apartheid South Africa's man in Cold War Luanda, has earned the largest share of the blame.

He lost the (fair) 1992 elections and kept fighting. He then signed new peace accords that obligated him to demobilize his armed forces, let go of the diamond fields, allow the government to administer the country and convert his armed movement into a peaceful opposition party. Although he was offered substantial protections and privileges, he has honored these crucial obligations mostly in the breach.

Mr. Savimbi had a long lifeline to then Zaire's Mobutu Sese Seko. It was the latter's demise that upset the fragile balance within Angola, creating the current crisis. The wily Mr. Savimbi has so far survived by using his hold on Angola's rich diamond fields to defy international fuel-and-arms sanctions and to buy friends and turned eyes elsewhere in Africa.

He faces now, however, a last gasp of international diplomacy. Few would expect a UN peacekeeping force, actually an observer force, that is on the way out to reverse course and to stay. But the secretary-general's representative is about to deliver to the Security Council a report that is expected to isolate Jonas Savimbi politically and leave him exposed to broader sanctions — and to government attack. Mr. Savimbi has been talking tough. It seems that the United Nations is about to call his bluff.

— THE WASHINGTON POST

A PLO Gesture

On Oct. 7, 1985, four Palestinian gunmen hijacked the Italian cruise ship Achille Lauro as it steamed off the Egyptian coast with 400 people on board. When the terrorists received no response to their demands, they executed Leon Klinghoffer, a 69-year-old Jewish passenger from New York City. The youngest of the hijackers shot Mr. Klinghoffer in the head and back as the American, who had suffered two earlier strokes, sat in his wheelchair. Mr. Klinghoffer and his wheelchair were then shoved into the sea.

The killing was one of the cruelest of the hijacking era, and it was difficult to imagine that the Klinghoffer family could find anything but anguish in the incident. It was therefore surprising and gratifying to learn that last week the Palestine Liberation Organization reached a financial settlement with Mr. Klinghoffer's two daughters, whose mother, now dead, had sued the PLO for causing his death. The undisclosed payment cannot make up for the loss of Mr. Klinghoffer's life, but it at least suggests during troubled times in the Middle East that the PLO can be brought to account, at least partially.

Although other targets of terrorist groups have sued their attackers, the Klinghoffer case may be the first where the organization considered responsible for an attack gave money to victims or their families. The PLO has not apologized for Mr. Klinghoffer's death, maintaining that the hijacking was carried out by a rogue group. It seems likely that, in settling, the PLO wished to win international goodwill and avoid the publicity of a trial that would have explored its links with that group, the Palestine Liberation Front. PLO officials were probably also aware that they might not be able to avoid paying any court-ordered damages to the Klinghoffers because the United States is a major donor to the Palestinian Authority.

Unfortunately, the prosecution of the Achille Lauro hijackers is incomplete. The four hijackers were convicted by Italy in 1986, but two escaped from prison. One was caught and returned. Abul Abbas, the mastermind of the hijacking, was captured by Italy shortly after the crime but was released despite Washington's pleas that he be held for trial. Instead he was convicted in absentia. He was last seen in 1996 in Gaza when he attended a meeting of the Palestine National Council, but he may live elsewhere, possibly in Iraq.

The Klinghoffer family can still hope for full justice, but they can take some solace in knowing that the PLO implicitly acknowledged its responsibility by settling their suit.

— THE NEW YORK TIMES.

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Yes, Celebrate Fifty Years of Indian Democracy

By Ramesh Thakur

This is the first of two articles.

NEW DELHI — When Britain handed sovereignty over Hong Kong back to China last month, Chinese at home and abroad felt a surge of pride and patriotic emotion. On the 50th anniversary of independence, Indians have more ambivalent feelings, reflecting what they see as their country's somewhat ambiguous record. Pride in what has been gained is tempered by thoughts of what might have been.

India today is a source of exotica and disasters for the international media — Salman Rushdie, Vikram Seth and Arundhati Roy alongside earthquakes, plagues and dowry deaths. Contradictory images abound.

India is a land of handsome and rich princes and maharajas. Indians are heirs to an ancient civilization that emphasizes self-sacrificing asceticism, spiritualism and a stable family life. India is full of beggars, child brides, bride burners, hustlers, corrupt officials and self-serving politicians.

What is the record of independence 50 years on? Are the midnight's children of Mr. Rushdie joyous and fulfilled, or have they been overwhelmed by poverty and melancholy?

India has survived intact. Its territorial integrity and political independence face no serious threat. The distinctive formula for maintaining unity in diversity has been reasonably successful. The three major principles of the constitution — democracy, federalism and secularism — ensure that diversity is accommodated and the ceaseless struggle for political power and social mobility is channeled through legitimate processes and structures.

The competing pulls of ethnic assertion and national integration have been reconciled in a complex yet adaptable system of power sharing and devolution. The widening circle of democratic participation under universal adult suffrage has brought large numbers of previously excluded social groups into mainstream politics.

India has not received sufficient credit for the good things it has done. Its democracy has been taken for granted. So has its nuclear self-restraint and its policy of not exporting arms.

> ***India has not received sufficient credit for the good things it has done.***

Its seemingly chaotic democracy is thriving. This is no small achievement, since liberalism emphasizes individual rights, while Hinduism and Islam put the community above individuals. Democracy is predicated on the essential equality of citizenship, yet the Hindu social order is built around the notion of human beings divided into fundamentally unequal castes.

With a tradition of deference to authority, a social order based on hierarchical status and hereditary distribution of functions, and a population characterized by poverty, illiteracy and fatalism, India should have succumbed to authoritarian rule long ago. The ruddy good health of democratic institutions confounds the skeptics.

The British were good tutors. They created bureaucratic structures — civil service, judiciary, police and military — underpinned by an ideology that legitimated the role of state authority in maintaining social order through prescribed procedures and the rule of law. They introduced, instilled and progressively expanded the principles and institutions of representative government. And they incorporated progressively increasing numbers of "natives" into the offices of government.

India has mostly maintained its political freedom. There have been no unchecked Public Security Ministry, no street committees, no network of forced labor camps, no destruction of libraries and universities, and no persecution of whole groups of people because they were intellectuals or had relatives who had once been landlords.

The one great exception was the period of emergency rule from 1975 to 1977 under Prime Minister Indira Gandhi, when a blanket of repression was cast over India. Yet in being careful throughout the emergency to justify her actions within the framework of the constitution, Mrs. Gandhi demonstrated the extent to which the rule of law had been embedded as a constraint on arbitrary government.

In voting her out in 1977, Indians showed that while they can put up with much economic injustice, they do not tolerate tyranny. In accepting defeat gracefully, Mrs. Gandhi confirmed that the norms of democratic transition had been ingrained at the highest levels.

By contesting and winning the 1980 general election, she further showed a willingness to use constitutional channels for regaining power.

The persistence of poverty has certainly undermined popular faith in the effectiveness of democratic government. Yet the failures are those of leadership, not regime. In an authoritarian system, the people could not be guaranteed that concentrated and unfettered authority would be used to pursue national well-being and not private gain.

Indians value their democracy. It is a system that has withstood decades of social, political and religious volatility. Votes of no confidence, political assassinations, terrorism, sectarian killings, earthquakes and the plague — India and its system of representative government have survived them all.

The writer, who was born in India, heads the Peace Research Center at the Australian National University in Canberra and is author of "The Government and Politics of India." He contributed this comment to the International Herald Tribune.

For Pakistan and India, Reconciliation Is Long Overdue

By Zafar Masud

PARIS — In these 50 years, India and Pakistan have fought three wars. As a result of the last one, Pakistan lost half its territory, which became Bangladesh in 1971. Both deny it, but both are understood to possess nuclear weapons, and thus they could destroy each other in a fourth confrontation.

Literacy rates in both countries are dismally low. Military budgets are absurdly high. The leaderships have maintained a climate of mutual suspicion and hatred for populist ends.

While the tigers in the Far East have made big economic strides, thus contributing to the well-being of their peoples, a vast majority in the subcontinent languishes in extreme poverty and conditions of gross social injustice. This is inexcusable in a part of the world with such vast intellectual and natural resources.

From a historical perspective, 50 years is a blink, too short a time for us to despair over lost chances of reunification, or at least durable reconciliation before long.

Yet it is a tragedy that nearly three generations have suffered the consequences of an unnatural partition, not to mention the many who perished in communal riots in 1947. Deprived of minimum education and manipulated by state propaganda, the subcontinent's people have been vulnerable to extremist influences of all sorts.

The failure to reconcile is closely linked to the failure of democracy in Pakistan.

If India has, despite its many problems, managed to stay on course with democracy, that is so because it has from the start assumed, constitutionally, its ethnic, religious and language diversity. India is largely Hindu, yet it today has a bigger Muslim population than its boastful neighbor, and, to its credit, has remained adamantly secular.

Pakistan, on the other hand, decided to turn its back on its South Asian historical and cultural heritage, and looked instead to Central Asia and Middle East in the quest for an identity. It encouraged intolerance, passing, for example, a parliamentary act to outlaw a religious minority, the Ahmadis. It also chose to retain a feudal system.

Democracy in Pakistan ground to a halt in 1953, only seven years after independence, with a bureaucratic coup d'état in which a half-demented governor-general, Ghulam Mohammad, dismissed legitimate civilian rule and invited the army to participate in government. Not surprisingly, five years later martial law was imposed.

So Pakistan has lived under direct or indirect military rule for most of its 50 years.

The exactions by India's paramilitary forces in its Himalayan state of Jammu and Kashmir are undeniable, but Pakistan's politicians, egged on by the generals, have kept the Kashmir issue alive and presented India as an enemy to the largely illiterate people in order to justify their hold on power.

It was no accident that the two countries enjoyed relatively warmer relations in the midst of the Afghan war. Pakistan's dictator, Zia ul-Haq, went to watch a cricket match in India; the Indian prime minister, Rajiv Gandhi, visited Pakistan. That token attempt at reconciliation was possible because, with the flames of war licking Pakistan's western border and the Soviet Union in the convenient role of enemy, the generals had little need of Kashmir or animosity with India.

With Moscow's withdrawal from Afghanistan in 1989, the "cricket diplomacy" evaporated. General Zia and Rajiv Gandhi both died. Pakistan's army was once again in desperate need of the handy Kashmir conflict. Under pressure from the generals, the keynotes of Prime Minister Benazir Bhutto's foreign policy from 1988 to 1990 and 1993 to 1996 periods were Kashmir and, believe it or not, the lot of the Muslims in Bosnia.

Miss Bhutto, like her father in the early '70s, devoted much of her energy to whipping up public fury against India. Convinced of the success of a covert operation by the army's secret service, she promised an excited crowd in 1994: "Kashmir will be ours in a few weeks."

With the collapse of the Soviet empire, Washington has lost interest in the region. It has stopped financial and military aid to Pakistan, which now is sinking deeper into the morass of religious extremism.

The subcontinent is still strategically important, but the Cold War alliances are meaningless today. India is mending fences with China. Pakistan should give up pretending it is a colonial power, renounce its quixotic military adventure in Afghanistan in the form of military and diplomatic support to the Taleban, and realistically link up with South Asia.

Prime Minister Nawaz Sharif has grass-roots support. He has come to power after free elections; he is, for once, neither a feudal lord nor a general. In curtailing the president's arbitrary powers to dismiss the government and dissolve the National Assembly, he has shown that he is willing to take risks.

His Indian counterpart, Inder Kumar Gujral, is his match in political realism. The two leaders know in their hearts that reconciliation between India and Pakistan is inevitable.

The goal should be a South Asian Union on the European model.

The writer, a Pakistani journalist based in Paris, contributed this article to the International Herald Tribune.

Imperial Balance Sheet: Epic Partition and Colossal Carnage

By Denis Judd

LONDON — Fifty years ago, at the midnight hour introducing Aug. 15, 1947, more than 300 years of British rule in India came to an end. With the creation of the independent nations of India and Pakistan, 80 percent of the subjects of the British Empire gained their freedom.

This remains one of the most awesome and complex transfers of power in history.

It seemed proof positive to many that the empire was being dismantled in an orderly and liberal fashion. Contemporary opinion was almost entirely favorable. The British were complimented for their patience and skill in supervising so momentous an event — especially for their role in the peaceful creation of two vigorous, democratically constituted nation-states.

Praise was heaped upon the last viceroy, Lord Mountbatten, and Clement Attlee's Labour government basked in his reflected glory.

Half a century later, it is impossible on almost every count to identify with those smug and self-congratulatory perceptions and claims. For one thing, the empire did not immediately and meekly roll over and die.

The 1945-1951 Labour government took its imperial responsibilities seriously, pumping unprecedented quantities of investment and aid into the colonies, rapidly expanding the colonial services and even toying with the idea of appropriating part of Libya into the empire's defense system.

Britain's trade with the empire and the Commonwealth reached new heights, and large numbers of British citizens followed the flag and emigrated — a substantial proportion of them settling in the Rhodesias.

Herbert Morrison, deputy leader of the Labour Party, spoke of the government as being "great friends of the jolly old empire."

When the aging imperial lion, Winston Churchill, was returned to 10 Downing Street in 1951, a determined imperial holding operation was immediately embarked upon, most notably the moves to establish compliant federations in the British Caribbean, Central Africa and Malaysia.

□

Neither India nor Pakistan has lived up to early promise as a Westminster-type democracy.

The clumsily fashioned coalition of Muslim provinces and groups that had been constituted as East and West Pakistan soon began to dissolve, as regional and political interests proved more potent than a common religious identity.

The secession of Bangladesh in 1971 was the second partition in the subcontinent within a quarter of a century. In both Bangladesh and Pakistan, Western democratic forms were only fitfully observed, and bouts of military rule and accusations of institutionalized corruption became commonplace.

India's post-independence history seems at first sight more clearly to have fulfilled the hopes of August 1947. State-led economic growth, the rule of law, regular parliamentary elections, the assault on underprivilege, a redrawing of some provincial borders on linguistic lines, and a serious and thoughtful contribution to the functioning of the United Nations, of the Commonwealth and of the international community were each admirable achievements.

Yet there has also been much amiss. Despite the touting of the ideal of India as "the world's largest democracy," there is something in the judgment that the country is only briefly and truly democratic every few years during parliamentary elections. Arguably, for much of the rest of the time India lurches between high-minded public service and anarchy, between endemic corruption and noble purposes.

Prime ministers have acted as arbitrarily as any British viceroy, setting aside unwelcome provincial election results in Kerala, for example, and ignoring minority grievances at will.

Two prime ministers, Indira Gandhi and her son Rajiv, both members of the ruling Nehru dynasty, have been assassinated while in of office.

□

The British claim that the 1947 transfer of power was a singular success now seems vulnerable to criticism.

It is true that Mountbatten brought the main parties and constituencies to an agreed solution: partition of the subcontinent into two religious homelands and incorporation of the Princely States into either India or Pakistan.

There is no doubt that he had enormous powers of persuasion and was able to exercise his considerable charm over the main Indian protagonists in the drama... certainly over Nehru, Gandhi, Liaquat Ali Khan, most of the princes and, for much of the time, Jinnah, leader of the Muslim League. He was clear and collected in negotiation, firm in his resolve and able, finally, to wring agreement even out of the intransigent Jinnah.

The viceroy, however, was a complex man, vain and self-serving. Two members of his entourage had the sole task of collecting every press clipping and photograph relating to his whirlwind 125 days as viceroy.

He could not bear to be without company, even when he was ill. He seemed never to read a book, although he often labored late into the night writing a slim volume detailing the history of the Mountbatten family.

His desire to be unquestionably in control sometimes led him to cut corners. He once admitted to his two senior private secretaries: "I know what you are thinking, 'Wavell [his predecessor as viceroy] wouldn't have done this,' but I will."

In one crucial matter his conduct had tragic consequences.

The new frontier between India and Pakistan was delineated at breakneck speed by a commission headed by a British judge, Sir Cyril Radcliffe. The demarcation in the Punjab was of particular concern in view of the sources of vital water supplies. At the last minute, Mountbatten delayed issuing the report and then adjusted the Punjab frontier in India's favor.

Why did he do this? Sir Ian Scott, now 88 and then his deputy private secretary, believes that the viceroy "showed the final boundary recommendation to Nehru, who objected to the Punjab line ... which Mountbatten then adjusted." Did that dubious accommodation, in some almost perverse way, owe something to Nehru's passionate relationship with Lady Mountbatten? It seems likely.

The deal set the seal on Jinnah's dislike of Mountbatten and strengthened him in his refusal to let him become the first governor general of Pakistan, as he was to become for India. This almost certainly led to far higher casualties in the communal massacres, especially in the Punjab, since as governor general of both new states, Ian Scott believes, Mountbatten would have "controlled the British troops in the force established to supervise the progress of the refugees," and that would have led to a far firmer intervention in the mayhem.

As it was, up to a million former British subjects were slaughtered in the mass migrations. It was a wretched legacy for an imperial regime that had prided itself on its capacity to maintain civil order. It is also an awkward reminder of the foibles of great men and of the fallibility of both personal and national myth-making.

The writer is a historian whose latest book is "Empire: The British Imperial Experience From 1765 to the Present." He contributed this comment to the International Herald Tribune.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Anarchists' Day

NEW YORK — Anarchists in this city have arranged to celebrate the assassination of Senor Canovas on Monday next [Aug. 16]. There will be a meeting with speeches of the familiar kind, and the celebrants promise themselves a great day. Johann Most, the notorious Anarchist leader, has expressed his satisfaction at the evident growth of Anarchism in Europe.

1922: 'White Dictator'

PARIS — Reports from Vladivostok state that the Zemsky Sobor of the Maritime Province has elected General Diterichs Dictator of the Russian Far East, where the Soviet Government is not recognised. The Assembly had been elected on a class and professional basis, all parties being admitted except the Socialists. The Sobor decided that a dictator was necessary in view of the red menace and the imminent departure of the Japanese troops. General Diterichs, who has been in command of the troops at Vladivostok, hopes to be able to extend the anti-Soviet regime gradually westward.

1947: India Celebrates

NEW DELHI — India is celebrating the last few hours of nearly a century of British rule. Viceroy Viscount Louis Mountbatten will read the King's message before the Constituent Assembly announcing the transfer of power and the birth of two new Dominions — the Hindu state of India and the Moslem Pakistan. The two new Dominions officially come into being at the stroke of midnight tomorrow [Aug. 15], and 400,000,000 people — about one-fifth of the world's population — become free to guide their own destinies.

OPINION/LETTERS

Watch Lugar Try to Save American Foreign Policy

By Jim Hoagland

WASHINGTON — Senator Richard Lugar suffers no illusions about the likely outcome of his battle with Jesse Helms over William Weld's ambassadorial nomination. Even Mr. Lugar doubts that Mr. Weld will make it to Mexico City.

"There are so many ways to deflect an actual vote if we do get a hearing on the nomination," Mr. Lugar told me in his Senate office. "When you think about all the ways it can be blocked, you can't be optimistic. But I take the constitution seriously. There should be a hearing and a disposition."

Why does the Indiana Republican go to the mat with Senator Helms in a probable lost cause? In part because of Mr. Lugar's concern about good government. He says Mr. Helms's threat to deny the liberal Massachusetts Republican a hearing by the Senate Foreign Relations Committee sabotages the Senate's advise and consent function.

But the skirmish over Mr. Weld is also part of what may develop into the finest moment in a distinguished career on Capitol Hill. The Helms fight is only one point of attack in a broad campaign by Mr. Lugar to defend an embattled internationalist agenda within his party and the U.S. Senate.

"I know everyone is saying that fewer members of Congress are interested in foreign affairs," Mr. Lugar said. "But I don't think it has to stay this way. Those of us who have the interest and the staying power to get some things done can change this."

Midway through his fourth six-year term and contemplating what may be his last re-election campaign in Indiana in 2000, Mr. Lugar is consciously looking ahead at "a nine-year block of time."

The fight over Mr. Weld is a small part of his campaign to undo the damage done by Mr. Helms's vindictive, narrow and ideologically biased handling of the Foreign Relations Committee.

Mr. Lugar is the natural Republican leader on foreign policy and had previously served as committee chairman. But when the Republicans took the Senate back in 1994, Mr. Helms asserted his seniority rights and took the chair away from Mr. Lugar.

That was only one of a number of slaps that Mr. Lugar has had to take from a Republican Senate leadership that clearly does not share or respect his internationalist agenda and experience. The clearest and strongest voice to back expansion of the North Atlantic Treaty Organization on the Republican side of the aisle, Mr. Lugar was pointedly left off the prestigious Senate NATO Observer Group recently named by the majority leader, Trent Lott.

"Yes, I was surprised not to be put on the group," Mr. Lugar said. "The leader told me he already knew what I thought on the issue. I don't question that. But there is going to be a very serious, very difficult debate in the Senate on NATO ratification, and we need to get to work on it now."

The mood that Mr. Lugar confronts is described in a study released this week by Washington's Henry L. Stimson Center, which concluded that "the Republican-led Senate is highly suspicious of diplomacy in general." It added, "Never in the modern era [have] the Senate Republican leadership and key committee chairmen possessed so little personal experience in world affairs."

What is a reasonable legislator to do in such circumstances? Undaunted, Mr. Lugar set out to recruit open-minded Republicans to join him on the Foreign Relations Committee, which was generally shunned after the 1994 midterm elections. And he has used the Agriculture Committee, which he heads, to focus attention on areas like Africa, neglected by Mr. Helms since the disappearance of the white supremacist regimes of Rhodesia and South Africa.

During the Senate recess in August, Mr. Lugar is traveling in Europe to take on what he sees as European prejudice and protectionism on agriculture. Biotechnology will enable U.S. agriculture to make the breakthroughs needed to feed a world that will double its population in the next few decades, Mr. Lugar said. "But we have to get the trading system right and agricultural subsidies eliminated to make this happen."

That battle, and others in which Mr. Lugar is engaged, will continue long after the William Weld flap is over. This is an opening bell in a fight over the American agenda abroad.

The Washington Post.

LETTERS TO THE EDITOR

On India's Social Values

Regarding "Inherited Social Values May Be Stalling India" (Opinion, Aug. 11) by William Pfaff:

Mr. Pfaff has hit the nail on the head. The pluralistic and tolerant ethos of Hinduism has helped Indians, even those who are uneducated, to make a success of democracy.

On the other hand, the Hindu accent on reaching Nirvana, or salvation, without worrying too much about those around you, results in withdrawal from social responsibility.

This is why there is so much tolerance of public irresponsibility, and why people's homes are often clean while the streets are dirty.

Buddha and later the Sikh guru Nanak tried to inculcate Indians with the concept of social responsibility, but with limited success. The 19th century reformers tried to incorporate in their writings Christian values of social responsibility. Post-independence, Western-style socialism did not help, because it allowed the masses to feel absolved of social responsibility as the state took on a more active role.

Children's spiritual education is dependent on parents. Currently, there is debate in India about whether Western secularism, which prohibits even reformist spiritual education in schools, is the correct recipe for an India in need of social reform.

Nevertheless, India's political and economic recovery in the past 100 years is helping to usher in reform of social values — though it may take place at a Hindu pace.

NARENDRA SINGH.
Sarila, India.

Clearing Up Superstition

Regarding "Why People Believe Weird Things" (Books, Aug. 11):

Yes, it certainly is amusing, as the book review by Richard Bernstein points out, to believe in "astrological birth control." And how silly it is, he reminds us, to believe in life after death, creationism and clairvoyance. How wacky to think that there's something to the stars, that there's more here than meets the eye.

Now that I have read this clear-headed article about such hilarious superstitions, I feel a great weight has been lifted. I was beginning to believe that maybe — just maybe — the experiences of Mother Teresa, Mahatma Gandhi, Martin Luther King Jr., Lao Tzu, St. Francis, Jesus Christ, Mohammed, Buddha and Krishna (to name a few) were more than mere superstition. I'm glad this has been cleared up.

Perhaps at the time of his death, Mr. Bernstein can have a friend read aloud from "Popular Mechanics" or the International Herald Tribune's business section. As for me, at the time of my passing I will meditate and pray as I join the happy fools on the other side.

MICHAEL GLOVER.
Utrecht, Netherlands.

Give Couples the Option To Work at Marriage

By Amitai Etzioni

WASHINGTON — Your local ice-cream parlor, after selling only ice cream for years, suddenly starts offering frozen yogurt as well. Is this an imposition on customers, who are now "required" to make a choice? Are they being "coerced to think"?

This is the way some critics have characterized a new Louisiana law that, as of Friday, will allow couples to choose between the standard "no-fault" marriage and a "covenant" marriage.

Couples choosing a covenant marriage pledge to enter matrimony only after serious deliberations. They agree to try to resolve potential marital conflicts through counseling if either spouse requests it and to seek divorce only by a mutually agreed upon two-year separation or under a limited set of circumstances, such as adultery, abuse, imprisonment for a felony or abandonment.

The law also allows married couples to recast their commitment as a covenant marriage.

Basically, the new Louisiana law provides couples with a ready-made contract that becomes enforceable by the state once it is entered into freely. In effect, Louisiana is providing a new form of prenuptial agreement, focused on how to make divorce less likely.

The Louisiana Legislature has come under criticism for this imaginative act. Some critics have said that the law imposes new constraints on marrying couples because they are forced to make a choice between the old no-fault and the new covenant marriage.

The feminist writer Katha Pollitt has characterized the law as "forcing" couples to make a choice. Margaret Carlson of Time magazine even suggested that the choice was "theoretical" because couples would no longer dare choose what she calls Marriage Lite over Marriage Plus.

Most people would agree that allowing individuals to make choices is the exact opposite of coercion. Indeed, the Louisiana legislation provides a model of how a state can foster what it considers a virtue — in this case, stronger marriages — by giving people the opportunity to be virtuous, but not penalizing them if they choose not to.

A state may favor some types of behavior over others, but it should promote these by giving people expanded options, rather than forcing them to behave in a preordained manner.

We are all better off if those who tie the knot are prepared for the commitment. Yes, divorce is sometimes called for. But most divorces are damaging, painful and costly for all involved.

Moreover, studies show that about 20 percent of those who avail themselves of premarital counseling decide not to marry, perhaps sparing themselves from a bad marriage and a messy divorce.

Some critics of the Louisiana law have argued that slowing down divorce is poor public policy because children are better off when feuding couples break up.

Yet at issue here are not physically or psychologically abusive marriages, because these can be dissolved without undue difficulty under the new law.

But for two people who are simply discontent, a divorce will be delayed for at least two years rather than the standard six months. This time could give the couple a chance to work things out.

The issue is not whether divorce laws should be tailored for the small percentage of marriages that are seriously abusive, but whether the legal system now makes divorce too easy or too difficult.

To put it differently, should only "disposable" marriages be available to couples — or should there also be an option that encourages them to work harder at sustaining their marriages?

Far from joining with those who would abolish no-fault divorce and replace it with vows that severely restrict divorce, Louisiana has left the choice completely to the couples.

The fact that some critics object to this modest, moderate step speaks to what is wrong in our divorce-prone culture.

Mr. Etzioni, the founder and director of the Communitarian Network, is author of "The New Golden Rule: Community and Morality in a Democratic Society." He contributed this comment to The New York Times.

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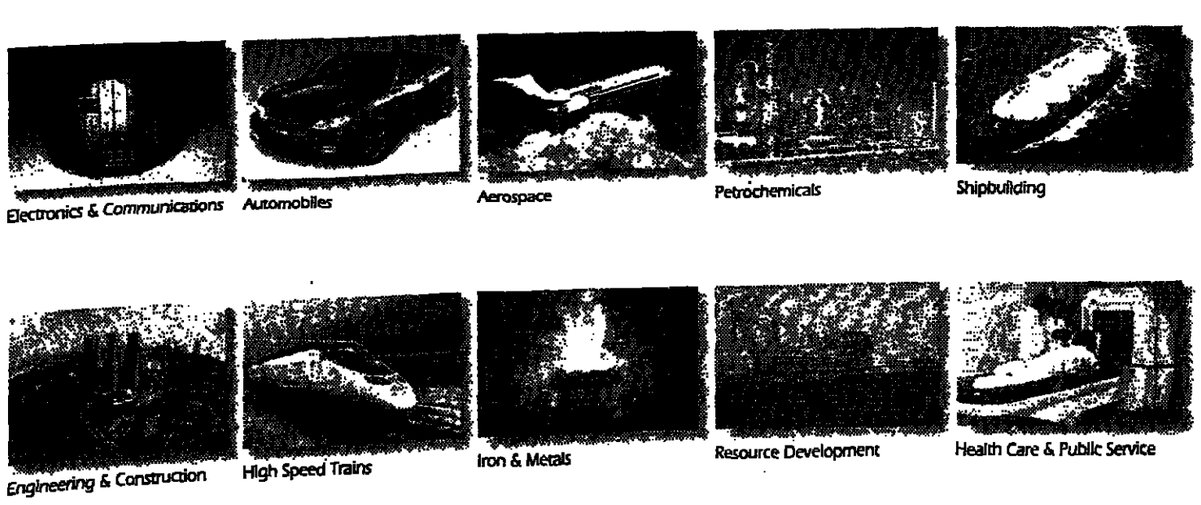

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HEALTH/SCIENCE

TOMORROW: LEISURE

Lonely Route: Men With Breast Cancer

By Karen Hsu
New York Times Service

NEW YORK — Six years ago, Bob Stafford of Teegarden, Indiana, was buying a car. He joked to the salesman that he should be able to pay for the sky-blue Chevrolet Corsica before he died of cancer.

What kind of cancer, the salesman asked.

Breast cancer, Mr. Stafford said.

"Only women get breast cancer," the salesman said, his face inches from Mr. Stafford's.

"That's great news because my doctor says I'm dying from it," he replied. (Two years ago, his doctor predicted that he would be dead in a year, said Mr. Stafford, who is not sure what the prognosis is now).

Then the salesman looked alarmed. He showed Mr. Stafford a lump the size of his little finger on his own chest. (It eventually turned out to be only fatty tissue.)

Mr. Stafford, whose cancer was diagnosed in 1988, when he was 36, said he frequently had encounters like that. Breast cancer, with its nationwide pink ribbon campaign, is usually regarded as a women's disease, even though about 300 men die from it every year. Breast cancer is diagnosed in about 1,400 men in the United States each year. One hundred times as many women suffer and die from the disease.

Physiologically, the disease is the same in men and women. A man's breast is similar to a preadolescent girl's. And in men, breast cancer is diagnosed and treated the same way it is in women. Mammograms and biopsies are used for diagnoses, said Dr. Robert DiPaola, assistant professor of medical oncology at the Cancer Institute of New Jersey, and mastectomies and drug therapies are used for treatment.

But in many ways, breast cancer for men is not the same. Because breast cancer makes up only 0.2 percent of all male cancers, many men do not know that they can develop breast cancer, so they do not monitor themselves for signs of the disease as women have been encouraged to do. (More than a quarter of women with cancer have breast cancer.)

Because breast cancer is so rare in men, it is sometimes overlooked. Some doctors dismiss the lumps because they, too, do not associate breast cancer with men, Mr. Stafford said. He added that he had once encountered a radiologist who told him that mammograms could not be used for men.

Delays in diagnoses mean that breast cancer in men is usually discovered at a later stage, said Dr. William Burak of the Arthur G. James Cancer Hospital and Research Institute at Ohio State University in Columbus, Ohio. And that means a lower survival rate, he said.

Many men have trouble adjusting to a diagnosis of breast cancer because it does not fit their self-image. Some men say they feel feminine and get embarrassed, said Joan Fromewick, a psychotherapist in New York City who deals with patients suffering from illness or loss.

"Men think they have chests, not breasts," she said. "They don't associate nipples with breasts. Women are very prepared to worry about breast cancer as part of being a woman."

After men with breast cancer come to grips with the reality of the disease, they find that everything is oriented toward women. For example, mammography waiting rooms, where patients sit in flimsy disposable robes, are for women only, said Joanne Lester, a nurse practitioner who works with Dr. Burak. Men who get mammograms are scheduled early in the morning or at the end of the day, when no women are around, Mr. Stafford said.

Because the disease is rare among men, there are no support groups just for men, Mr. Stafford said. Meetings of existing support groups are only for women or revolve around women's concerns.

For Norm Rich, 62, of Long Grove, Illinois, one support group meeting was enough. People talked about issues like breast reconstruction, which most men do not need.

"I said to myself, I don't need this," Mr. Rich said. "My wife is my support group."

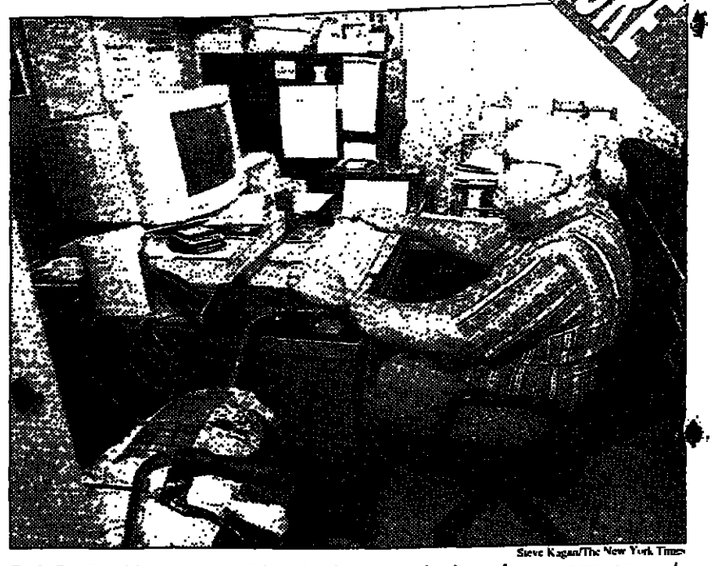
Mr. Stafford started a Web site on male breast cancer to share information, and he set up a list of people who receive information by e-mail. There are now 40 people on the list.

Through a friend, Mr. Rich became involved in a breast cancer organization called Y-ME, which puts him in touch with men with breast cancer who want to talk to survivors. Mr. Rich said that he had talked to about 25 people in the last three years but that the calls were becoming more frequent.

"There are more coming out of the closet and saying it is a male disease," he said. "They just want to know if they can survive this. Sometimes, if it is at a serious stage, I might refer them to a cancer center where they see male breast cancer patients more often."

Many of the questions Mr. Stafford gets revolve around treatment, he said. The questions include "What does the medication do?" and "How sick am I going to get?"

Mr. Stafford's Web site address is http://interact.withus.com/interact/mbc.



Steve Kagan/The New York Times

Bob Stafford has set up a Web site for men who have breast cancer.

New Gentler Biopsy

Alternative to Aggressive Surgery

By Abigail Zuger
New York Times Service

NEW YORK — Breast surgeons at several hospitals are perfecting a new technique that can spare many women with newly diagnosed breast cancer the pain and complications of a major surgical procedure.

The new technique, sentinel node biopsy, is replacing a routine part of breast cancer surgery called axillary dissection, in which surgeons remove a cluster of lymph nodes in the armpit near the affected breast and examine each of them under a microscope. These lymph nodes are the first destination for cancer cells spreading from the breast. If any contain cancer, the chances of a woman's survival are sharply reduced, and she becomes a candidate for aggressive anti-cancer treatment.

Sentinel node biopsy is a simpler procedure than axillary dissection; it takes less than an hour and is often done on an outpatient basis. To do it, doctors identify the first lymph node that cancer cells would reach within the cluster of pea-sized nodes under the arm, and only that one, the sentinel node, is removed for microscopic examination. The sentinel node's status seems to predict accurately whether the other nodes under the arm will be free of cancer.

Dr. Hiram S. Cody 3d, a breast surgeon at Memorial Sloan Kettering Cancer Center in New York City, said that among 60 women at his hospital with small breast tumors, a negative sentinel node test meant, with 99 percent accuracy, that the other nodes would also be free of cancer. Dr. Cody's group is offering women with small tumors the option of forgoing axillary dissection entirely in favor of the simpler procedure.

The procedure was developed several years ago by Dr. Armando E. Giuliano of the John Wayne Cancer Institute in Santa Monica, California. He reported in the June issue of The Journal of Clinical Oncology that among 100 women with small tumors, the sentinel node predicted the status of the other nodes under the arm 100 percent of the time.

A sentinel node biopsy spares women the frequent side effects of axillary dissection: swelling, numbness and tingling in the arm and pain and stiffness in the arm and shoulder. The sentinel node biopsy has none of these complications, Dr. Giuliano said.

Dr. Cody said the sentinel node biopsy seemed less accurate in women with larger breast tumors. In a minority of cases, the cancer cells are not found in the sentinel node until the laboratory analysis several days after the procedure, and women must return to the hospital for a second operation. But for most women with early breast cancer, it offers a way to avoid aggressive surgery.

How to Rate a Female Chimp

By Natalie Angier
New York Times Service

NEW YORK — Much to the surprise of primatologists, a dominant female chimpanzee turns out to be a lot like Alan Greenspan, the all-mighty czar of the Federal Reserve.

He clears his throat, and stock markets tumble. She twitches an ear, and her underlings tremble. He controls the economy without so much as passing a law. She affects her group's fecundity without so much as raising a paw.

Both man and ape offer proof that you don't have to speak much, you don't even have to carry a big stick, and still you can rule the world.

Scientists have discovered that female chimpanzees, long believed to have little or no interest in pulling rank on each other, in fact form subtle social hierarchies that profoundly influence the fate and fertility of every female in the group.

Working in the Gombe National Park of Tanzania with Jane Goodall, Anne Pusey and Jennifer Williams of the University of Minnesota have determined that female chimpanzees differ far more in their individual ability to bear and rear offspring than anybody had suspected, and that one of the biggest factors influencing a female's reproductive prowess is her social status.

The babies of a high-ranking female are much likelier to survive to independence than are the offspring of a subordinate chimpanzee, and the daughters of a dominant mother reach sexual maturity four years earlier than those of a low-ranking female, a spectacular advantage that can transform a dominant family into a dynastic one.

But for all the discrepancies in prospects that are tied to social status, female chimpanzees appear indifferent to displays of power. They do not brandish fallen branches or kick over oil drums, as a male will to flaunt his status. They rarely fight with each other, and when they do, it is hard to tell who won.

They are not big socializers, spending most of their time alone in the forest with their dependent young. Should a female encounter a male from her group, she will make the appropriate noises of subordination, giving off a little hnn-hnn-hnn sound called a pant-grunt, as a low-ranking male will in the presence of a dominant male. But when two females meet, they often ignore each other.

"The big surprise here is that dominance rank is so subtle as to be nonexistent, yet it has huge impact on reproductive success," said Ms. Williams, who is working on her doctoral dissertation.

The findings of the study appear in the current issue of the journal Science.

"People had emphasized the importance of rank among male chimpanzees, because it was so easy to see," said Dr. Craig Packer of the University of Minnesota, who did not contribute to the chimpanzee study but is familiar with it. "The females looked like the nebbishes of the woods."

When Dr. Pusey and her colleagues began analyzing chimpanzee behavioral patterns more carefully, they found that beneath the females' apparently distracted exteriors skulked true political animals.

Using data from the renowned Gombe chimpanzee field study that Dr. Goodall began in 1960, the scientists assessed dominance by looking at all pant-grunts exchanged in a group of 10 females from 1970 through 1992.

They found that while pant-grunting is not an inevitable feature of female greeting, when it did occur between a given pair, it was always in the same direction: if female A pant-grunted to female B one day, A would pant-grunt to B the following year. By considering this vocalization, the researchers found that the females aligned themselves into a fairly stable hierarchy of low-, middle- and high-ranking apes.

> *"The surprise is that rank is so subtle, yet it has huge impact on reproductive success."*

The scientists then mapped out the reproductive histories of the 10 females, a difficult task for a long-lived and slow-breeding species like the chimpanzee. In their analysis, they counted as a success any offspring that survived to 5, the age of weaning. The group variability in fruitfulness proved significant.

Several of the low-ranking females had many pregnancies and births, but then lost most or all their infants, either to predation, poor nutrition, illness, accident, infanticide or causes unknown. By contrast, the highest-ranking female of the group, Fifi, is also the most successful mother.

Now 38, Fifi has not lost a single one of her seven offspring. Five already are independent — including two sons in their 20s, a 16-year-old daughter who is herself a mother and a 12-year-old daughter who is pregnant — while the youngest two are on the cusp of weaning. The average age of reproductive maturity for a chimpanzee is 13, but the daughters of high-ranking females began breeding as young as 9.

The scientists do not yet know what distinguishes a high-ranking female from a subordinate, or why the offspring of dominant females fare better than those of the lowly. Dominant females are not any bigger or fleshier than their underlings, nor are they more overtly aggressive. High-rankers tend to be somewhat older than subordinates, and a few females manage to gain in stature as they age, but most stay put on the social pyramid no matter how long they live.

The scientists suspect that dominant females exert their pre-eminence in their choice of feeding terrains. Each female has her own turf that she forages through every day, and the dominants could be monopolizing the spots where the food is particularly nutritious.

In addition, because feeding ranges overlap, the researchers theorize that should two females bump into each other while foraging, the high-status female gets first dibs on any good fruits or nuts that may be around.

"One thing we're trying to look at now is whether dominant females have a more steady body size," said Ms. Williams. "It could be that they don't lose weight in poor times." Fluctuations in body weight could affect fertility, lactation and the ability to fend off disease.

The scientists propose that a female's social rank is determined fairly early in life. Some daughters stay in their natal home, and may inherit their station from their mother. More often, a young female will emigrate from her birthplace and join another group.

It is during those early months of integration that a female makes her greatest effort to seek high status and is likeliest to engage other females in fights, or at least earnest, cacophonous discussions. After a while, a female appears to learn her place and from then on will grunt or be grunted at accordingly.

KATHLEEN KERR, a researcher and therapist at the Georgetown Family Center in Washington, has also been analyzing the Gombe data on female chimps as part of an effort to understand mother-infant relationships. In her observations, the chimpanzee mothers most adept at rearing young tend to be "very relaxed but conscientious." They are vigilant yet calm, staying watchful for danger while encouraging their young to explore their surroundings.

In comparison, the mothers with comparatively low success at raising babies to maturity "tend to be restrictive and overprotective of their offspring," she said, "which translates into the offspring being less confident and exploratory, and more restricted in their approach to the world."

It's an old story: the strong get stronger, while the weak get weaker — if they don't get eaten first.

BOOKS

THE CHIN KISS KING

By Ana Veciana-Suarez. 311 pages. $24. Farrar, Straus & Giroux.

Reviewed by Richard Bernstein

THE smell of honeysuckle creeps into Cuca's room on the morning of Leap Day 1992, bringing with it a deep though unexplained melancholy. Cuca, who is "old and useful and smart," has never seen honeysuckle in Miami, where she lives near her daughter, Adela, and Adela's daughter, Maribel, who is about to give birth.

So the smell of honeysuckle comes as an olfactory signal of exile in Ana Veciana-Suarez's wise and touching story of three women from Cuba facing the heartbreak and frustration of a biological accident.

Exile is a natural theme, given the Cuban origins of Cuca, Adela and Maribel, each of them representing a different generation and a different style of living, but, in fact, Veciana-Suarez treats that theme as a kind of background music providing folkloric richness to a story that could be set among any people anywhere. The deeper themes of "The Chin Kiss King" are love and loss, betrayal and grief, the impossibility of consolation when life and suffering seem to be of the same cloth.

This is the first novel by Veciana-Suarez, who writes a column for The Miami Herald, and it is piquant and aromatic, written with a spirited sense of inner worlds and human foibles. Early on, especially, Veciana-Suarez's interior dialogues tend slightly toward preciousness and a narrative fragmentation that seems derivative, like a work for a college writing seminar.

But very soon her three main characters and several subsidiary ones take on distinctive shapes, and as we plunge into her story's central episode, the writing becomes sure and strong. By the end, she has a firm grip on the prickly individuality of her characters or the mysteriousness of their fate.

"You have everything, God," Maribel ponders silently midway through Veciana-Suarez's story. "You have bread and wine, the smells of a kitchen, the colors of all the flowers, the sky, the sun, the moon, the planets and the galaxies and everything beyond. Why do you want my baby, too?"

The baby that prompts Maribel's theological ruminations is born on the opening day of "The Chin Kiss King," Feb. 29, 1992, when Cuca is sniffing that inexplicable honeysuckle and communing with her dead husband while Adela plays Lotto at the neighborhood bodega.

The baby, whom Maribel eventually names Victor Eduardo, is born with an extra chromosome, a problem that Maribel, dazed by the commotion of giving birth, fails to grasp even though she hears snatches of doctor talk in the air: "severe mental retardation, heart defects . . ."

When Maribel does realize that God or nature or whatever it is out there has played her and Victor Eduardo a nasty trick, it is as if "she was being dropped into a lightless, bottomless pit with cold walls and slimy bugs and putrid smells and water that dripped, dripped, dripped."

THE rest of "The Chin Kiss King" follows from Victor Eduardo's affliction, with Veciana-Suarez using it the way Albert Camus used the plague: to delineate moral choices and aspects of character in the face of disaster. As we live through Maribel's gropings for meaning, the people in her life reveal themselves.

Cuca, who knows that Maribel views her as "ignorant, backward, foolishly romantic," knows loss firsthand, having lost three children to disease before one, Adela, survived. She talks to the dead, her husband especially but also her mother, known as Mama Cleofe, who reminds her that "the life you lead, that we all once led, is like exile."

Adela, a former beautician who is having an affair with the husband of the owner of the bodega where she buys her Lotto tickets, is a female equivalent to most of the men in this story: selfish, pleasure-loving, looking for the quick fix.

Then there are the men, Carlos, Adela's lover, who is the butcher at her friend Fefa's store, and Eduardo, the absent father of Victor Eduardo, who is "handsome in a frivolous sort of way, like a flourish or a curlicue on the swirl of a Rococo column."

And there are the dead men as well, especially Miguel, the father whom Maribel adores and idealizes, not because he was such a great hombre but because he left when she was a little girl and then died, thereby becoming a fantasy figure in contrast to her mother, who remained behind.

In this small world, Veciana-Suarez has set a kind of female bonding story, one in which the three generations of Cuca, Adela and Maribel unite in their love for Maribel's stricken infant, though each rises to the moral occasion in her own way — Cuca as an act of philosophical resignation, Adela as a willed sacrifice and Maribel with the blind, instinctual impulse of a mother's love.

Men in this story fail both practically and morally, which seems less a feminist cri de coeur by Veciana-Suarez than her sad reflection on the real world these days.

Lest this seem to be a depressing tale, it must be said that Veciana-Suarez's spirited storytelling style invests "The Chin Kiss King" with a buoyancy that keeps it from sinking into gloom. Her characters are too earthy, too blunt and too brave to be overcome by their dismal situation. And the chorus of the dead speaking from long-ago Cuba, their thoughts passed through the medium of Cuca, have a refreshing, good-humored candor.

Richard Bernstein is on the staff of The New York Times.

BRIDGE

By Alan Truscott

FOUR Polish stars, Adam Zmudzinski, Marek Szymanowski, Marcin Lesniewski and Cezary Balicki, won the Spingold Knockout Team Championship in Albuquerque, New Mexico.

Teamed with them were Tipton Golias, who sponsored the visitors, and Grant Baze, who captained the squad.

In the final, they won by 36 imps against James Cayne, Mark Feldman and Alan Sontag of Manhattan; Chuck Burger of West Bloomfield, Michigan; Mike Passell of Dallas, and Michael Seamon of Miami Beach, after trailing in the first half of the match.

The Cayne team has a strange streak: it has been second in three consecutive national championships.

The Polish margin of victory would have been wider but for a disaster on the diagramed deal near the end of the match. Seamon and Passell, North and South, were desperate to gain ground and bid to a virtually hopeless six hearts.

The opening one club bid had silenced Zmudzinski as East, but he could not resist doubling six hearts. This was apparently a Lightner double, asking for a club lead, so Balicki as West obliged by leading that suit.

Passell had redoubled, which is mathematically sensible when a slam is doubled, and now took full advantage of his opportunity. He finessed the club nine, forcing the ace, and ruffed. He could now draw trumps ending in dummy and discard three losers on club winners.

The lead of any other suit would probably have defeated the slam. South's only legitimate hope, would have been to ruff out the club ace and find the ten falling conveniently. But as the cards lie, the lead of the club nine from dummy might have tricked East into a fatal play of the ace.

The contract in the other room was a normal four hearts, and the Cayne team gained 16 imps when it could have lost 15 with a different lead.

NORTH (D)
♠ 8 7 5
♡ K Q 2
◇ K 4 2
♣ K Q J 9

WEST	EAST
♠ K 3	♠ Q J 9 4
♡ J 8	♡ —
◇ 10 8 6 5 3	◇ A Q J 7
♣ 10 7 5 4	♣ A 8 6 3 2

SOUTH
♠ A 10 6 2
♡ A 10 9 7 6 5 4 3
◇ 9
♣ —

Both sides were vulnerable. The bidding:

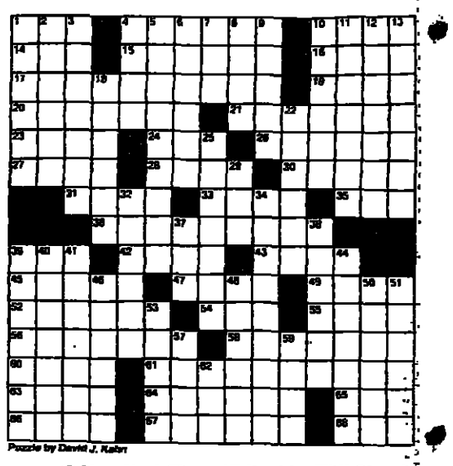
North	East	South	West
1 ♣	Pass	1 ♡	Pass
1 N.T.	Pass	2 ◇	Pass
2 ♡	Pass	3 ♡	Pass
4 ♣	Pass	4 ◇	Pass
5 ♡	Pass	6 ♡	Pass
Pass	Dbl.	Redbl.	Pass
Pass	Pass		

West led the club four.

CROSSWORD

ACROSS
1 Whey-faced
4 Popular snack
10 Durable transports, for short
14 Proposal defeated in 1982
15 How some coffee is served
16 Administer
17 O.K.
18 —— *cava*
20 Outcasts
21 Indiana : Hoosier :: Nevada : ——
23 Inca fortunes
24 Kyrgyz city
26 Most basic
27 61-Across, for example
28 They may be seeded
30 More than tubby
31 Automatic start
33 —— East
35 1989 Jack Lemmon film
36 Epitome of sharpness
39 *Prone*
42 Swear by, with "on"
43 Dump
45 Monomaniac, informally
47 *McCurry, to* Clinton
49 5-Down, for example
52 Office staple
54 London theater Old ——
55 N.B.A.'s Nick Van ——
56 Put up
58 Shock
60 British title
61 O.K.
63 List ender
64 Take —— of absence
65 Schoolboy
66 Forswear
67 Enthusiastic response
68 Mag. staff

DOWN
1 Club, say
2 Citation's jockey
3 Pearly: Var.
4 Sonoma neighbor
5 O.K.
6 Stylish
7 Book before Zephaniah: Abbr
8 Works at the Met
9 Word with iron *or bath*
10 46-Down, for example
11 Tittered
12 Dustin's "Agatha" co-star
13 Like propaganda
19 Disney head
22 Soyuz 6 cosmonaut Shonin
25 Shakespearean play in two parts
29 "Comprende?"
32 Superstore
34 17-Across, for example
37 Suffix with pay
38 Little wrigglers
39 Assumed, with "to"
40 Apportion
41 Surveyor's assistant
44 *Cotton or wool*
46 O.K.
48 Unnerve
50 Fill up again, in a way
51 Merges
53 Indemnify
57 Red-pencil
59 "—— Death" (Grieg work)
62 *Point, in law*



Puzzle by David J. Kahn

© New York Times/Edited by Will Shortz

Solution to Puzzle of Aug. 13

D	O	N	T	■	T	E	D	D	Y	■	B	E	A	R
I	D	I	O	■	E	L	L	I	E	■	A	R	L	O
P	O	C	O	■	R	E	I	N	A	■	N	O	T	A
■	R	E	T	U	R	N	T	O	S	E	N	D	E	R
■	■	■	T	O	A	■	■	■	P	E	E	R	S	■
S	I	S	T	E	R	■	S	E	N	O	R	■	■	■
A	S	T	A	■	■	A	T	T	I	C	■	S	P	A
H	E	A	R	T	B	R	E	A	K	H	O	T	E	L
L	E	G	■	R	A	T	E	S	■	■	N	E	A	T
■	■	■	K	E	Y	E	D	■	C	H	A	R	R	O
A	E	D	E	S	■	■	V	A	C	■	■	■	■	■
B	L	U	E	S	U	E	D	E	S	H	O	E	S	■
A	D	E	N	■	S	P	E	N	T	■	A	C	T	A
B	E	T	A	■	N	I	C	O	L	■	T	R	A	P
A	R	O	N	■	A	S	K	M	E	■	H	U	R	T

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BUSINESS/FINANCE
THURSDAY, AUGUST 14, 1997

Sony, Philips and HP to Make Own Format for Digital Videodisks

Compiled by Our Staff From Dispatches

TOKYO — Sony Corp., Philips Electronics NV of the Netherlands and Hewlett-Packard Co. of the United States plan to leave an international consortium to make their own version of digital videodisks that can record, Sony said Wednesday.

The companies applied for licenses for the new format, a Sony spokesman said.

Sony said the three companies were seeking to certify their own DVD-RAM format in Europe, capable of recording 3.0 gigabytes of information on each side of a 12-centimeter optical disk.

The move dealt another blow to the 10-company consortium that has struggled to agree on common standards for DVDs. It also raises the possibility of a battle similar to the one between the Beta and VHS videocassette recorder formats — a fight Sony ultimately lost.

In 1995, Sony and Philips had originally developed a DVD format but reluctantly abandoned it to join the consortium on common standards.

Identical in appearance to music compact disks, DVDs can store far more information. Current DVD players, whether hooked to a television to view movies or to a computer for games, are for playback only. DVD machines that also can record are expected later this year.

Sony, a member of the consortium, will continue to make playback-only DVDs under the common standard but will break with the group when the companies begin making recordable disks.

"Sony simply followed its policy of developing new technology, and the optical disks are no exception," a spokesman for the company said.

The consortium, known as the DVD Forum, includes Sony's biggest rivals, such as Toshiba Corp. and Matsushita Electric Industrial Co.

Sony's new disk is the same size as the one developed by the group but has 15 percent more storage capacity. The two formats are not compatible because recording methods differ.

This alliance is the latest salvo in the battle for control of the market for next-generation storage devices, which will probably be worth over $6 billion a year.

Sony says its format will make it easier to play disks designed for playback-only machines on the machines that are able to record.

Hiroshi Takada, an analyst at BZW Securities (Japan) Ltd., applauded Sony's move. "It was strange for manufacturers to be bound hand and foot by only one standard," he said. Competition should be like that in floppy disks, he said, which had many standards. "Consumers have ultimately chosen the best," he said.

The consortium was formed partly with the intention of avoiding a repeat of the battle between the Beta and VHS standards for videocassette recorders. Sony alone backed Beta and suffered a costly defeat when it was forced to abandon it because of a dearth of movies.

From the consortium's beginning, the members have squabbled over technical standards, patent ownership and how to divide royalties.

In April, for example, Sony, Philips and Pioneer Electronic Corp. decided to start licensing DVD patents to other manufacturers by themselves, contravening a plan by the consortium to grant patents as a group.

Philips said its venture with Sony and Hewlett-Packard was limited to recordable DVD technology for personal computers. It emphasized that it would stick to already-agreed formats for nonrecording home video and audio technology, the subject of a 10-company agreement on the use of DVDs for home entertainment purposes.

"Philips and Sony backed the wrong pony in the videocassette market," said Rob Friedman, senior vice president at Franklin Mutual Advisers. "They weren't a marketing power then. This is a marketing gamble for them."

Philips said the current question could not be compared to the Beta-vs.-VHS video-player battle of the 1980s because the rift involves only data storage for computers that can be rewritten, and the standard for movies and audio remains intact.

Still, analysts said, it was the latest salvo in a battle for control of the market for next-generation storage devices, which will probably exceed the current $6 billion a year market for CD-ROM players.

The Sony-Matsushita split could also provide an opening for a competing computer storage system developed by Fujitsu Ltd., Japan's second-largest computer maker.

"It'll cause confusion among consumers and that could hamper the spread of these products," said Hiroshi Takeda, industry analyst at BZW Securities. *(AP, Bloomberg)*

Nokia Bets On Mobile Telephones

Finnish Firm Moves To Outflank Motorola

By Youssef M. Ibrahim
New York Times Service

HELSINKI — About five years ago, Nokia Group hatched a telecommunications project with the code name "Responder" and formed a secretive unit to carry it out. Some 25 researchers, managers and scientists gathered discreetly in Tampere, a bastion of high-technology research in Finland, and were given this broad mission: "Look at the next challenge" in tapping the exploding world of wireless communications.

That challenge, they decided, was to combine Internet, computer and phone technologies to produce a portable machine that could use all of them. When presented with the idea, Nokia's top management pressed their engineers to move quickly to outflank the company's two giant competitors, Motorola Inc. of the United States and Ericsson AB of Sweden. And sure enough, the Nokia 9000, or Communicator, will hit American stores this fall.

It is a risky move. For with mobile phones everywhere, only the most innovative ones will turn a decent profit, but it fits Nokia's aggressive strategy.

The company has not only transformed the portable phone — with five factories around the globe turning out some 1.5 million phones a month, it is the world's No. 2 producer, after Motorola — but has also transformed itself from an old-line paper company into a leading technology company.

Along the way, it has also helped transform the Finnish economy.

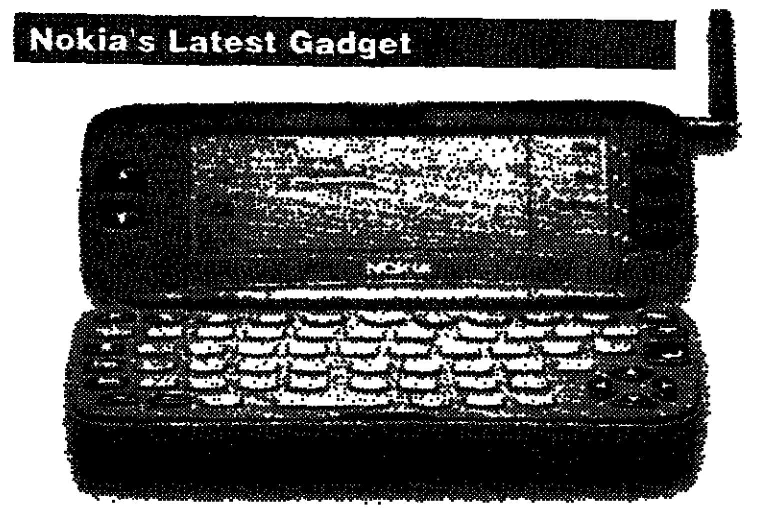
"We used to have two clusters of strength in the Finnish economy: Wood and paper, and metals. Now we have a third: it's called Nokia," said Kurt Nordman, chairman of Helsinki Telephone Co., a private telecommunications company that is a big client of Nokia.

Though its population is only 5 million, Finland is by all accounts the world's most wired country, with a highly educated and technologically savvy population.

Nokia, with an ever-growing staff of 34,000 scientists, researchers, salespeople and other employees in 45 countries — 6,000 of whom joined last year alone — is rapidly joining the ranks of international household names like Sony Corp. and Microsoft Corp.

Inside Nokia House, the new Helsinki headquarters, a growing sense of confidence is palpable. This "ecologically sensitive" building, an architectural marvel set on the shore of the Baltic Sea, is encased with 26,000 glass plates flooding its eight-story atriums and offices with the light of Finland's long summer days.

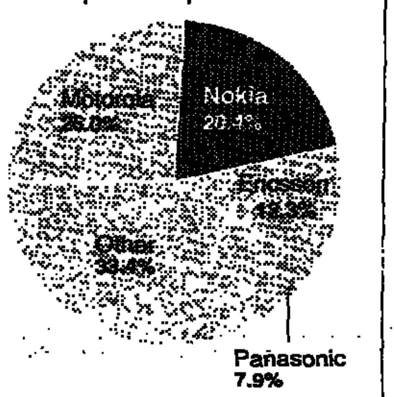
Nokia's Latest Gadget



The Nokia 9000's Features

- Portable phone
- Internet access
- Built-in World Wide Web browser
- Calculator and clock
- Can send e-mail and faxes
- Stores notes and addresses
- Connects to computers and printers through a built-in infrared link
- Works for 120 minutes continuously or 30 hours on standby

Share of 1996 worldwide cellular phone shipments



Source: Dataquest via Nokia

NYT

As the Communicator project progressed, the focus became to create, essentially, the world's first movable, pocket-sized office. The device would allow conference calls, receive and send faxes, handle e-mail and cruise the Internet — all from a moving car, train or sidewalk cafe. It would, says Yrjo Neuvo, senior vice president for product creation, "turn one-plus-one into more than two," which he calls a creed of Nokia's corporate culture.

INTERNATIONAL MANAGER

The culture must work. Revenues hit $8.5 billion last year, and Nokia's share price went from 166 Finnish markkaa ($29.84) in January 1996 to 307 a year later, and finished Wednesday at 465.

It is an article of faith in Finland that by 2002 well over half the world's data, voice and images will travel without wires, which is why Nokia is heavily focused on what its vice president for communications, Arva Suominen, calls the manufacture of "mobile phones and everything you have in between."

Long gone are the days when Nokia was known for its paper-processing mills nestled by the Nokia River. Nokia executives calculate that by 2000 the world will have 500 million mobile phones, up from 135 million today. And 60 percent of them, they predict, will use a technology supported by Nokia called Global System for Mobile Communications.

Nokia's upbeat mood is enhanced by a widely shared conviction among its executives that new markets in Asia, Latin America and the Middle East will ensure growth well into the next century.

"Our objective is to continue to grow annually by 25 to 35 percent a year," says Pii Kotilainen, vice president for human resources, and Nokia employees have a clear incentive to meet those targets. Every worker gets a bonus of 5 percent of salary if profit growth beats 35 percent, and some 2,000 top executives also get lucrative stock options.

Such growth, though, is by no means guaranteed. Luke Szymczak, a telecommunications analyst at Prudential Securities in New York, agrees that "if you looked at Nokia 10 years ago, you would have never predicted they'd be where they are today." But he cautions that the company may be putting too many eggs in one basket. "I mean 55 percent of their mix is into handsets. This is a very favorable thing right now, but could be a risk sometime in the future."

For one thing, Mr. Szymczak says, Motorola is catching up quickly in Nokia's specialty, "smart" mobile phones. And other analysts note that many other companies, like Phillips Electronics NV, Lucent Technologies Inc. and Sony, are also set to produce mobile phones. The risk is that what happened with color televisions could happen to portable phones — with rising volumes but falling profits on each phone.

To Nokia executives, the immediate risk lies in failing to meet demand for smart phones like the Communicator, those with added features that they believe consumers will pay more for.

Indonesia Moves to Defend Rupiah

Central Bank Intervenes and Raises Rates to Arrest Slide

Compiled by Our Staff From Dispatches

JAKARTA — Bank Indonesia, the central bank, said Wednesday that it had intervened in the currency market after the rupiah fell 1.7 percent against the dollar, and it pledged to continue to defend the currency.

The intervention followed a failed attempt to halt the rupiah's slide with an interest-rate increase of one percentage point on most money-market rates.

The rupiah breached the lower limit of its permitted trading band against the dollar, and the U.S. currency closed at 2,650 rupiah, up from 2,615 the previous day.

"We will intervene as necessary as long as it takes to return stability to the currency market," said Wahyu Sindu, the deputy head of Bank Indonesia's foreign-exchange department.

He said he did not know the extent of the intervention or whether it would continue.

Dealers attributed the slide to fallout from the lingering weakness of other regional currencies and to a local newspaper report quoting an economist as saying Bank Indonesia should allow the rupiah to find its own level.

Sjahrir, an economist and brokerage owner, was quoted in Kompas as saying the market would ultimately decide a fair value for the rupiah.

"According to me, just let the rupiah fall to 2,700 or 2,800" to the dollar, Mr. Sjahrir was quoted as saying. "The central bank does not have to do anything."

Once speculators realize that the central bank hasn't done anything, he said, the dollar will already be overvalued.

Bank Indonesia's Mr. Sindu denied reports that the bank was about to widen its intervention band, which would allow the rupiah to weaken further.

The central bank's sale of dollars for rupiah fueled a brief rally.

"They'd lose too much credibility if they didn't intervene" after the rupiah breached the band, said Sani Hamid, a currency analyst at MMS International in Singapore.

Mr. Hamid said he did not expect the bank to risk depleting its foreign-exchange reserves to defend the currency and said he expected the rupiah to weaken. The rupiah received a brief lift after the central bank raised interest rates for central bank certificates of all maturities by 100 basis points.

The Jakarta Stock Market Composite Index fell 4.34 points, or 0.66 percent, to 658.60, as 80 stocks fell and 48 rose.

"High rates will trigger a banking crisis, and there will likely be a run on banks, and for businesses, the rate of bankruptcy will rise," said Michael Lim, the head of the treasury department at Standard Chartered Bank.

Higher interest rates ratchet up corporate borrowing costs, inhibiting investment and slowing growth.

Analysts said the move to raise rates, which followed a 50-basis-point cut in rates on terms longer than one week on Friday, was inevitable in the face of the rupiah's slide and could be a prelude to the removal of the intervention band.

Indonesia's booming economy has been hurt by a weakening currency and a falling stock market in the run-up to this weekend's 52d anniversary of the country's independence.

President Suharto plans to deliver a state-of-the-nation address Saturday, the eve of its independence day, but analysts said they did not expect him to refer to the economy's troubles. Also worrisome was the prospect of an extended drought this year because of El Nino, the name given to a warm water current that disturbs weather patterns in Pacific Rim nations and is likely to peak in December.

Still, economists say, the celebrations Sunday should be an occasion to mark the strides Indonesia's economy has made since independence in 1945.

"Indonesia has achieved extraordinary success," said Frans Seda, an economist and former cabinet minister, noting that the country's per-capita income had risen in the past three decades to above $1,000 from $50.

Economic growth has clipped along at 7 percent or more a year for the past decade, and the government has projected growth of 7.1 percent for the current fiscal year. *(Bloomberg, Reuters, AFP)*

Huizenga Cries Foul on Lawsuits

By Robyn Meredith
New York Times Service

DETROIT — A vicious legal fight between Wayne Huizenga's Republic Industries Inc. and two Japanese automakers is proving that few problems can be as deadly to a stock as the uncertainty created by big lawsuits.

Republic's stock closed Tuesday at $23.4375, having lost nearly half its value since reaching a high of $42.75 on Jan. 23. On Wednesday, it slipped a further 6.25 cents, to end at $23.375.

This precipitous drop in a rising market is particularly serious for Republic, which has an expansion strategy of using its stock to buy up other businesses.

Republic blames the stock slide on Toyota Motor Corp. and Honda Motor Co. — which have sued Republic to block it from buying some of their dealerships.

"They are deliberately trying to hurt the stock," Mr. Huizenga said in an interview Tuesday.

"I think they know they can't stop us, but I think they are just trying to slow us down."

The automakers denied they were deliberately trying to hurt Republic's stock and said their lawsuits were intended to force Republic to comply with their rules limiting the rapid acquisition of dealerships.

"There's not one shred of truth to his allegation," said James Press, senior vice president of Toyota Motor Sales U.S.A. Inc. "When they disregard our policies, what other choice do we have?"

Both Toyota and Honda have allowed Republic to buy some dealerships, but have sought to limit the number it can buy quickly.

Art Garner, a Honda spokesman, said his company's suit had nothing to do with Republic's stock price. "Our intent is to protect the Honda brand name and the Honda image," he said. "The only way to challenge them is in court."

Wall Street analysts agreed that the lawsuits have hurt investor confidence in Republic, though opinion is divided on the extent to which the automakers have used the courts as a tool in their commercial fight with Mr. Huizenga's company.

Since the winter, Republic has agreed to buy 153 dealerships belonging to various automakers, becoming the largest U.S. owner of car dealerships. Nearly all the transactions have been paid for with Republic stock.

But the decline in the stock's value means that nearly twice as many shares are now required for comparably valued deals. In Republic's view, that shows that the filing of lawsuits can sometimes do as much damage as the eventual rulings do.

"It has had a definite effect on our stock," said Mr. Huizenga, who acknowledged that buying dealerships had become more costly. "It is expensive, but we are still going forward because we have a strategy and a plan."

The major U.S. automakers have not raised significant objections to Republic's series of deals because they have been trying to thin their own ranks of dealers, and Republic's consolidation plans align with their interests.

Some have even taken a page from Republic's playbook: Ford Motor Co. has begun to consolidate its dealerships in Indianapolis and Salt Lake City by investing with local dealers there to form groups that will close the weakest outlets.

CURRENCY & INTEREST RATES

Cross Rates

Aug. 13

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.065	3.266	1.1266	0.334		—	5.455	1.361*	1.7868	1.4845*	1.332
Brussels	38.06	60.0025	20.651	6.1225	2.1084*	18.3305	—	25.089	0.328	27.325	24.415*
Frankfurt	1.8407	2.9115	—	0.2965	0.1022*	0.8876	4.8424*	1.215	1.5079*	1.3267	1.1823*
London (a)	1.5803	—	2.8944	9.7569	2,830.23	3.2594	59.7493	2.3832	182.5268	2.1990	244.6305
Madrid	Not Available										
Milan	1,805.18	2,845.87	979.48	290.39	—	869.42	47.43	1,189.97	15.555	1,295.87	11.581
New York (b)	—	1.5835 a	1.8345	6.187	1,795.00	2.0665	37.98	1.5115	115.655	1.3928	155.88
Paris	6.2164	9.80	3.373	—	0.3444*	2.994	0.1633	4.0978	5.3567*	4.4426	3.988*
Tokyo	116.55	184.11	63.53	18.56	0.642	55.52	3.0281	76.44	—	83.70	0.7425
Toronto	1.3903	2.2076	0.7593	0.2252	0.0776*	0.674	0.3676*	0.9219	1.2042	—*	
Zurich	1.5074	2.3796	0.8238	0.2442	0.0841*	0.7407	3.9865*	—	1.306*	1.0823	0.9735*
1 ECU	1.0686	0.6778	1.9694	6.6407	1,978.90	2.2107	40.6703	1.621	124.009	1.4885	166.571
1 SDR	1.3518	0.852	2.5195	8.4798	2,456.14	2.835	51.9091	2.0594	157.079	1.8864	212.449

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers: New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Libid-Libor Rates

Aug. 13

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅝	3⅛ - 3¼	1⅝ - 1¾	7 - 7⅛	3⅜ - 3½	⅜ - ½	4¼ - 4⅜
3-month	5⅝ - 5¾	3¼ - 3⅜	1⅜ - 1½	7 - 7¼	3¼ - 3⅜	½ - ⅝	4⅜ - 4½
6-month	5¾ - 5⅞	3⅜ - 3½	1½ - 1⅝	7⅜ - 7½	3¼ - 3½	½ - ⅝	4⅜ - 4½
1-year	5⅞ - 6	3⅝ - 3¾	1⅝ - 1¾	7¼ - 7½	3⅝ - 3¾	⅝ - ¾	4⅜ - 4½

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5⅝	5⅝
90-day CDs dealers	5.62	5.62
180-day CP dealers	5.50	5.49
3 month Treasury bill	5.17	5.18
1-year Treasury bill	5.31	5.31
2-year Treasury bill	5.93	5.96
5-year Treasury note	6.19	6.19
7-year Treasury note	6.26	6.25
10-year Treasury note	6.36	6.35
30-year Treasury bond	6.63	6.67
Merrill Lynch 30-day RA	5.13	5.13
Japan		
Discount rate	0.50	0.50
Call money	0.41	0.42
1-month interbank	0.49	0.49
3-month interbank	0.55	0.55
6-month interbank	0.58	0.58
10-year Govt bond	2.37	2.37
Germany		
Lombard rate	4.50	4.50
Call money	3.15	3.08
1-month interbank	3.17	3.17
3-month interbank	3.26	3.26
6-month interbank	3.40	3.36
10-year Bund	5.72	5.94
Britain		
Bank base rate	7.00	7.00
Call money	7³⁄₁₆	7⅛
1-month interbank	7⅛	7.00
3-month interbank	7⁵⁄₁₆	7³⁄₁₆
6-month interbank	7⁵⁄₁₆	7¼
10-year Gilt	7.07	7.08
France		
Intervention rate	3.10	3.10
Call money	3³⁄₁₆	3³⁄₁₆
1-month interbank	3¼	3¼
3-month interbank	3⅜	3⁵⁄₁₆
6-month interbank	3½	3⅜
10-year OAT	5.60	5.59

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	328.65	328.25	+2.25
London	328.60	326.20	+0.05
New York	331.50	330.60	—0.20

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	289.65	Mex. peso	7.78	S. Afr. rand	4.66
Australian $	1.3468	Hong Kong $	7.7431	N. Zealand $	1.5613	S. Kor. won	894.30
Austrian sch.	12.972	Hung. forint	198.83	Norw. krone	7.6519	Swed. krona	8.008
Brazil real	1.0854	Indian rupee	35.725	Phil. peso	28.90	Taiwan $	28.73
Chinese yuan	8.3191	Indo. rupiah	2650.00	Polish zloty	3.49	Thai baht	31.45
Czech koruna	34.13	Irish £	0.6957	Port. escudo	186.68	Turkish lira	163375.
Danish krone	7.0249	Israeli shek.	3.527	Russ ruble	5804.00	UAE dirham	3.671
Egypt. pound	3.3923	Kuw dinar	0.3029	Saudi riyal	3.75	Venez. boliv.	494.00
Fin. markka	5.5186	Malay. ringg.	2.7755	Sing. $	1.508		

Forward Rates

Currency	30-day	60-day	90-day
Pound Sterling	1.5745	1.5726	1.5706
Canadian dollar	1.3896	1.3873	1.3851
Deutsche mark	1.8400	1.8363	1.8323
Japanese yen	115.50	115.03	114.48
Swiss franc	1.5130	1.5077	1.5020

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo);

Strong Profit Lifts Applied Material Stock

Bloomberg News

SANTA CLARA, California — Shares of Applied Materials Inc. rose $9.1875 to $99.4375 Wednesday after the world's top provider of chipmaking equipment reported third-quarter net profit that exceeded analysts' expectations.

A one-time gain of $80 million related to a litigation settlement with Novellus Systems Inc. helped lift earnings to $186.6 million in the quarter ended July 27 from $169.1 million a year earlier, the company said. Sales slipped to $1.06 billion from $1.12 billion, but were 17 percent above the previous quarter's.

Shares in Micron Technology Inc. plunged $7.625 to $42.50 after analysts warned that falling prices for memory chips used in personal computers would hurt the chipmaker's earnings.

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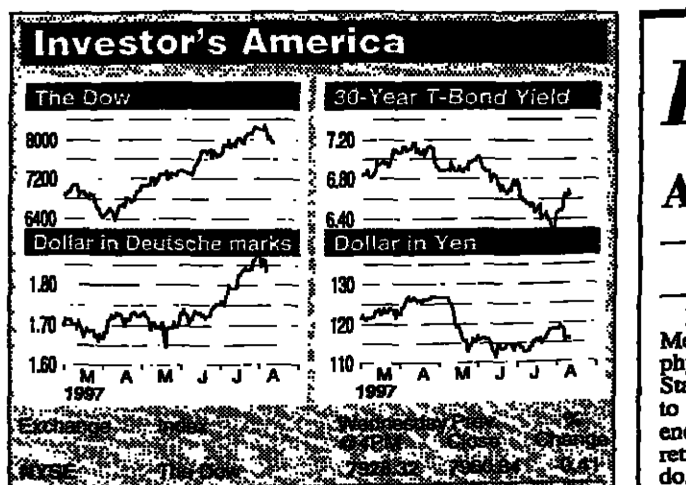
Investor's America



Exchange	Index	Wednesday 4 P.M.	Prev. Close	% Change
NYSE	The Dow	[illegible]	[illegible]	[illegible]
NYSE	S&P 500	[illegible]	[illegible]	[illegible]
NYSE	S&P 100	[illegible]	[illegible]	[illegible]
NYSE	Composite	[illegible]	[illegible]	[illegible]
U.S.	Nasdaq Composite	[illegible]	[illegible]	[illegible]
AMEX	Market Value	[illegible]	[illegible]	[illegible]
Toronto	TSE Index	[illegible]	[illegible]	[illegible]
São Paulo	Bovespa	[illegible]	[illegible]	[illegible]
Mexico City	Bolsa	5907.29	5912.26	-0.10
Buenos Aires	Merval	838.69	843.08	-0.52
Santiago	IPSA General	5594.26	5613.42	-0.34
Caracas	Capital General	N.A.	9298.49	[illegible]

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

Lucent to Take a Charge for Octel

MURRAY HILL, New Jersey (Bloomberg) — Lucent Technologies Inc. said Wednesday that it expected to take a $950 million charge in its fourth quarter related to its $1.8 billion purchase of the voice-mail company Octel Communications Corp. The charge, about $1.47 a share, will result in a loss.

In a Securities and Exchange Commission filing, Lucent said the charge was related to "in process" research and development. Lucent said the charge probably would come when the acquisition was completed, which is expected to be in the quarter ending Sept. 30. Analysts had predicted a 50 cents-per-share gain for the quarter.

• **United Parcel Service of America Inc.** has declared efforts to end the 10-day-old strike by Teamsters union to be at an impasse, even as Labor Secretary Alexis Herman sought to get talks restarted. No negotiations are scheduled.

• **Chrysler Corp.** said prices for 1998 vehicles would average 0.6 percent less than those for equivalent 1997 models.

• **Seagram Co.**'s fourth-quarter profit before gains rose to $48 million from $22 million in the like quarter last year, led by its entertainment and drinks businesses. Sales rose 5 percent, to $3.02 billion. An after-tax gain from the $1.39 billion sale of half of its stake in Time Warner Inc. resulted in net income of $148 million, up from $89 million the previous year.

• **Dillard's Inc.** posted a 12 percent increase in net profit, to $44.3 million, for the retailer's second quarter as sales rose 8 percent, to $1.45 billion.

• **Wang Laboratories Inc.**'s fourth-quarter net profit rose 51 percent, to $12.4 million, over the fourth quarter of 1996. Sales increased 36 percent, to $338 million, on new business in network management and desktop computing.

• **Columbia/HCA Healthcare Corp.** was formally declared a target for criminal investigation by federal prosecutors examining whether the top U.S. hospital chain had defrauded the federal government. *Bloomberg, Reuters, AP*

Doctors Sell Their Imprimatur

American Medical Association Endorses Sunbeam Line

By Glenn Collins
New York Times Service

NEW YORK — The American Medical Association, the largest physicians group in the United States, has agreed for the first time to allow its name to be used in endorsing a line of products in return for potentially millions of dollars.

The products, made by Sunbeam Corp., will be introduced with the association's seal late this year and will include blood-pressure monitors, heating pads, thermometers, humidifiers and vaporizers.

Royalty payments from Sunbeam will provide the 150-year-old medical association more money for health, educational and research programs covering smoking, family violence, women's health and other health topics.

Larry Jellen, the association's vice president for marketing, said the fees would not be used for the organization's day-to-day expenses.

The terms of the royalty arrangement, announced Tuesday, were not disclosed.

The deal with Sunbeam comes at a time when physicians' incomes are rising less rapidly because of managed-care programs but dues have not fallen. The association, whose 300,000 members pay an average of $425 a year in dues, has financed educational and research programs at about $25 million a year, according to an executive with knowledge of its finances.

Critics said the arrangement with Sunbeam could erode confidence in the nation's highest-profile medical association.

"I think it is very treacherous for nonprofit groups in general, and health organizations in particular, to sell their names to corporations," said Michael Jacobson, executive director of the Center for Science in the Public Interest, a consumer advocacy group.

"It immediately sets up a conflict of interest," he added. "In the future, how can the AMA evaluate any Sunbeam product and warn the public if they are defective? Or what if they are good products but twice as expensive as those made by other companies?"

But the medical association is hardly alone. The alliance "is part of an increasing trend toward the endorsement of product lines by medical and specialty organizations," said Viren Mehta, a health care industry analyst with Mehta & Isaly.

The American Cancer Society, for example, has endorsed Florida orange juice, and the American Dental Association has endorsed Crest toothpaste and at least 1,300 other products from 350 manufacturers with its ADA Seal of Acceptance.

The American Heart Association and the American Diabetes Association worked with Campbell Soup Co. last September to develop a line of mail-order meals, called "Intelligent Quisine," that are intended to combat high blood pressure, high cholesterol and diabetes.

The Sunbeam deal "is the first time we've ever agreed to an ongoing working relationship with a major company manufacturing a full home-health-care product line," Mr. Jellen said, noting that the medical association had previously put its name on a line of first-aid kits made by a private-label manufacturer.

In addition, last year, for the first time, the association distributed a million copies of a catalogue, "Tools for Healthy Living," but the products offered for sale in it did not carry the AMA seal, and there was no advisory arrangement with the manufacturers.

Sunbeam is best known for household products like blenders and for its chief executive, Albert Dunlap, who has sharply downsized companies he has headed. Mr. Dunlap announced last year that half of the 12,000 Sunbeam employees would be let go in the biggest restructuring in the company's 101-year history.

Turmoil in the Markets Pulls the Dollar Lower

Compiled by Our Staff From Dispatches

NEW YORK — The dollar was lower against other major currencies Wednesday in response to turbulence in bond and stock markets.

Rob Hayward, a Bank of America economist, said there appeared to be no fundamental explanation for the drop in U.S asset prices, given that producer-price data released Wednesday were unambiguously good and retail sales had given no cause for alarm.

In 4 P.M. trading, the dollar fell to 115.655 yen from 116.280 yen Tuesday and to 1.8345 Deutsche marks from 1.8625 DM. It also dropped to 1.5115 Swiss francs from 1.5255 francs and to 6.1870 French francs from 6.2788 francs.

The pound was at $1.5835, up from $1.5787.

Mr. Hayward said the U.S. data, showing a steady pickup in activity along with stable inflationary pressures, were likely to be positive for the dollar in the longer run.

"Although it seems as if asset prices are determining dollar movements in the short run, with at least one further rate rise likely, the dollar should be well underpinned in the longer run," he said.

The mark got support from a change of emphasis in the Bundesbank monthly report Wednesday, he added.

"The D-mark has clearly weakened further since the start of the year, particularly against the U.S. dollar," the report said. "The Bundesbank will continue to closely follow exchange-rate developments and their risks to stability."

"The market's still very bearish," said Stephen Flanagan, senior dealer at Credit Agricole Indosuez, in the aftermath of the Bundesbank report. The report warned of the inflation risks from current foreign-exchange levels, he said, noting a rise in German consumer prices in recent months.

FOREIGN EXCHANGE

"Prevailing sentiments seem to be influenced more by events out of Germany" than by U.S. fundamentals, he said.

The International Monetary Fund said the strong yen was justified by Japan's robust fundamentals, and it said Tokyo should not raise short-term interest rates so as to give its economic revival a chance to take hold.

"Directors believed that the current easy stance of monetary policy should be maintained for the time being," the Fund's executive board said in its annual review of the Japanese economy, "but that it would likely be desirable to begin tightening later in the year."

The Fund, whose comments were released after Washington criticized Tokyo for not opening markets up quickly enough, said there was a risk that trading partners could retaliate if Japan's current account surplus rose and looked set to stay high.

(AFX, Reuters, Market News)

ECONOMY: *A Wild Day for Markets as Joy Over Inflation News Is Tempered by Currency Gyrations*

Continued from Page 1

eased inflation concerns. The benchmark 30-year Treasury bond climbed 17/32 to 96 20/32, taking the yield down to 6.63 percent from 6.67 percent.

"Only last week people were sitting around saying that the Bundesbank couldn't really do anything to save the Deutsche mark," Mr. Megyessi said.

The fresh evidence that U.S. inflation remains subdued, at the very most, also undercut the dollar. Analysts said that, given the good news on prices, the Federal Reserve Board probably will hold off any increase in U.S. interest rates. Higher borrowing costs would cool off the economy but at the same time make it more attractive to hold dollars, buoying the U.S. currency.

What surprised and disconcerted many observers was the speed and force with which the dollar's demise slammed into U.S. stock prices.

The turbulence in the U.S. markets spilled over into the European markets, which posted sharp losses on the dollar's decline.

The FTSE-100 share index in London declined 72.20 points to 5,003.60. The CAC-40 index in France fell 74.53 points to 2,924.04. Germany's DAX index fell 84.61 points to 4,278.48.

Analysts characterized the dollar's impact as unusual and suggested that it reflected investors grown increasingly jittery and jaded over the longevity of what remained a near-perfect state of economic affairs in America. Mr. Ging said the sell-off in bonds that began on the first of the month with reports of stronger-than-expected gains in employment and with some indications of building price pressures would be hard to stop.

The consensus forecast continues to signal one and perhaps even two quarter-point rises in interest rates by the Federal Reserve before year-end as the economy regains the speed it lost in the spring. Economists predict that the economy will expand at a rate of around 3.5 percent in the final half of the year, a prediction fortified by the July retail sales figures.

The Standard & Poor's 500 Index declined 4.51 points to 922.02. The Nasdaq Composite Index rose 7.16 to 1,583.40.

Micron Technology, the most active issue, plunged 7½ to 42⅜ after a Merrill Lynch analyst downgraded the semiconductor company to near-term "neutral" from near-term "accumulate."

General Electric rose 9/16 to 66¾ after Goldman, Sachs & Co. reinstated it to the securities firm's recommended list, Bloomberg News reported.

Drug stocks fell: Merck dropped 1 to 92⅝. Eli Lilly and Schering-Plough also dropped.

U.S. STOCKS

"Investors are looking for an excuse to sell," said Jami Rubin, drug analyst with Schroder & Co. "These stocks have done so well. The fundamentals are still fine."

Bond investors fear inflation, which eats into the returns of fixed-income investments. Financial companies such as banks benefit when interest rates fall, as they reap higher profits on their loans, while securities firms make more money on trading.

Citicorp, BankAmerica and Chase Manhattan gained.

FMC and Harsco fell after a report that General Dynamics had bid $1 billion to buy United Defense; FMC and Harsco own United Defense.

Fleet Financial Group climbed on news that the Boston-based bank holding company was close to an agreement to buy Columbia Management Co. for $500 million to $600 million in cash.

CompUSA gained 1⅛ to 29⅜ after the computer retailer reported net income of 24 cents a share, 4 cents ahead of estimates. Versatility fell after the software company said it saw first-quarter earnings per share of 6 cents, a penny below analysts' estimates.

AMEX

Wednesday's 2 P.M.

The top 300 most active shares.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	2P.M.	Chg.
Indus	8037.72	8048.51	7879.08	7955.90	-5.34
Trans	2925.89	2929.46	2901.07	2923.41	+9.57
Util	233.05	233.11	230.59	231.22	-1.20
Comp	2486.85	2486.58	2449.00	2468.35	-0.41

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1110.34	1090.44	1091.44	1085.14
Transp.	675.81	668.67	669.23	664.85
Utilities	200.77	199.05	199.22	197.85
Finance	108.12	105.67	105.74	106.07
SP 500	942.99	925.66	926.53	922.32
SP 100	917.01	899.42	900.21	896.19

NYSE

	High	Low	2P.M.	Chg.
Composite	484.73	476.42	479.45	-1.31
Industrials	613.92	601.80	606.35	-2.04
Transp.	442.88	437.75	440.33	+0.24
Utility	291.92	286.93	288.06	-2.59
Finance	449.50	443.31	445.12	+1.16

Nasdaq

	High	Low	2P.M.	Chg.
Composite	1596.90	1571.92	1579.33	+3.09
Industrials	1262.98	1249.92	1252.78	+3.64
Banks	1714.54	1697.49	1697.98	-7.73
Insurance	1705.05	1693.72	1697.60	-3.62
Finance	2048.27	2034.08	2037.07	+2.99
Transp.	1021.14	1015.96	1017.82	+2.87

AMEX

	High	Low	2P.M.	Chg.
	644.44	640.03	640.14	-3.09

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	104.20	104.12
10 Utilities	101.49	101.66
10 Industrials	106.90	106.58

Most Actives

NYSE

	Vol.	High	Low	2PM	Chg.
MicrnT	170708	44	41⅞	42⅛	-7
ChileTel s	92628	32⅝	32⅛	32⅛	+⅛
ColHCA s	76484	33⅞	32⅝	32⅛	-1⅜
Pfizer s	56517	54⅛	52	53⅛	+⅞
CocaCl	56325	62⅛	59⅞	61⅛	+⅛
GenElec s	55619	68⅛	66⅞	67⅛	+1⅛
Compaq s	47480	60	56⅞	58⅛	+⅛
Merck	44675	94⅛	91½	93	-⅛
AT&T s	41996	41⅛	39½	40	-⅛
Boeing s	40364	59⅞	57⅛	58⅞	+2⅛
IBM s	39412	106	102⅛	104⅛	+⅝
PhilMor s	36202	46⅛	44⅞	45⅞	-⅛
JohnJn	34731	58⅛	56⅛	57½	-⅛
BayNtwk	33625	32⅛	31	32⅞	+1⅛
BrMySq s	32897	75⅛	71	73⅛	-1½

Nasdaq

	Vol.	High	Low	2PM	Chg.
TeleComA	130953	19⅝	18⅞	19	+⅛
Intel s	122968	98⅛	94⅛	95⅛	+⅛
Amgen	110514	59	48	49⅞	-1
ApldMatl	94915	99½	96⅛	98⅛	+8½
ApoleC	84051	22⅛	20⅞	22⅞	+⅛
Ascend	73831	46⅛	43⅛	44⅞	-⅝
Microsft s	66854	138⅛	134⅛	135⅞	-⅞
DellCpt s	63270	82	78⅛	79⅛	+1⅛
MCI	56317	35	34⅞	34⅞	—
3Com	54771	56⅞	53⅞	54⅛	-⅛
Cisco	52733	75⅛	73⅛	74⅞	+⅛
Quantum s	36782	35⅛	34⅞	34⅞	+⅝
NovaCT	35997	⅝	⅛	⅛	+⅛
SunMic s	35234	48⅛	46⅛	46⅞	-⅝
SystSft	32942	13⅛	12⅛	13⅛	+1⅛

AMEX

	Vol.	High	Low	2PM	Chg.
SPDR	56641	93⅞	91⅞	92⅛	+⅛
Baldw	7287	3⅛	3	3⅛	+⅛
ViacB	6029	31⅞	30⅛	30⅛	-⅛
Hasbro s	4414	28⅛	27⅛	28⅞	+⅛
Harken	4384	5⅞	5⅛	5⅛	-⅛
VistaG g	3959	⅛	⅛	⅛	—
NY Times	3197	47⅛	45⅞	46⅛	-1⅛
Amdahl	3105	11⅞	11⅛	11⅛	+⅛
XCL Ltd	2888	⅛	⅛	⅛	+⅛
GreyhndL	2850	4⅛	3⅞	3⅞	-⅛

Trading Activity

NYSE

	Noon	Prev.
Advanced	1209	1266
Declined	1439	1606
Unchanged	586	532
Total issues	3234	3404
New Highs	73	132
New Lows	13	13

Nasdaq

	Noon	Prev.
Advanced	1532	1941
Declined	1613	2181
Unchanged	2116	1640
Total issues	5262	5762
New Highs	85	168
New Lows	50	59

AMEX

	Noon	Prev.
Advanced	208	257
Declined	273	290
Unchanged	152	180
Total issues	633	727
New Highs	13	25
New Lows	5	12

Market Sales

	Today 4:00	Prev. cons.
NYSE	574.98	600.73
Amex	24.69	34.78
Nasdaq	593.56	637.48

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Arizona Land Inco	-	.25	9-1	9-15
INCREASED				
Buckeye Partners	Q	.88	8-22	8-29
Three Rivers	Q	.10	9-12	10-1
Tompkins County	Q	.32	9-1	9-15
REGULAR				
Airborne Freight	Q	.075	8-26	9-9
Am Biltrite	Q	.10	9-22	10-6
AmerUS Life Hld	Q	.10	8-15	8-29
Arbor Prop	Q	.175	9-30	11-15
BGS Systems	Q	.30	9-12	10-3
Bridgford Foods	Q	.06	9-3	10-1
Cherokee Inc	Q	.20	8-15	8-29
Chesapeake Corp	Q	.18	10-10	11-14
City Holding	Q	.20	9-1	9-15
Crown Crafts	Q	.03	9-9	9-23
Cubic Corp	S	.19	8-18	9-9
Dames & Moore	Q	.03	9-22	10-6
Equity Inco AT&T.	M	.233	8-15	9-1
Executive Risk	Q	.02	9-15	9-30
Fab Indust	Q	.175	8-29	10-20
Fst WV Bancorp	Q	.20	9-1	9-15
Hastings Mfg	Q	.10	8-28	9-15
Independence Sq	M	.115	8-21	8-29
Intl Paper	Q	.25	8-22	9-15
Meadowbrook	Q	.02	9-19	10-10
Metris Cos	-	.01	8-21	9-17
Minn Mining	Q	.53	8-22	9-12
Panam Bev	Q	.0525	9-15	9-29
Prospect St HI	M	.036	8-22	8-29
Prudntl IntlBd A.	M	.052	8-18	8-21
Prudntl IntlBd B.	M	.047	8-18	8-21
Prudntl IntlBdC.	M	.047	8-18	8-21
Prudntl IntlBd Z.	M	.053	8-18	8-21
Public Storage XI.	Q	.34	9-30	10-15
Pub Storage XX.	Q	.28	9-30	10-15
Seaboard Corp	Q	.25	9-19	9-30
Seagram Co	Q	.165	9-2	9-15
Stan MO Bancorp	Q	.125	8-13	8-29
Strategc Gibinco	M	.092	8-22	8-29
Waste Mngmnt	Q	.17	9-17	10-2

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Aug. 13, 1997

Grains

	High	Low	Latest	Chge	Opint
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	273	261¾	261¾	unch.	46,775
Dec 97	276½	266	266½	+1¼	151,249
Mar 98	284½	273	273½	-¼	35,472
May 98	286½	279	279	+¼	8,298
Jul 98	291½	281	281½	-¼	13,889
Sep 98	271½	264	264	-7½	1,589
Dec 98	273	264	265½	-9	7,409
Est. sales N.A. Tue's sales 22,213					
Tue's open int 264,781, up 3,126					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Aug 97	255.50	250.00	255.00	+4.40	8,130
Sep 97	227.70	221.00	227.50	+5.10	23,061
Oct 97	208.80	203.50	207.50	+3.20	15,184
Dec 97	203.00	197.50	201.00	+1.70	40,575
Jan 98	199.00	194.50	197.00	+1.60	6,207
Mar 98	195.00	192.50	194.00	+1.50	8,288
Est. sales N.A. Tue's sales 26,358					
Tue's open int 107,914, up 1,208					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Aug 97	22.00	21.80	21.91	-0.18	840
Sep 97	22.13	21.88	22.02	-0.17	20,543
Oct 97	22.30	22.06	22.19	-0.17	16,386
Dec 97	22.59	22.35	22.50	-0.12	45,781
Jan 98	22.75	22.58	22.68	-0.13	7,605
Mar 98	23.05	22.92	23.02	-0.16	4,903
Est. sales N.A. Tue's sales 15,643					
Tue's open int 100,387, off 183					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Aug 97	780	745	780	+36¼	7,063
Sep 97	662½	642	660	+12¼	15,638
Nov 97	618½	605	617	+5½	79,049
Jan 98	623	609¼	619½	+3	16,278
Mar 98	630½	619	628¼	+3	5,974
Est. sales N.A. Tue's sales 48,185					
Tue's open int 132,439, up 3,901					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	364	355½	360	-1	28,929
Dec 97	379½	371	377	+½	54,121
Mar 98	390	381½	389½	+3	15,464
May 98	392	385½	392	+3	1,492
Est. sales N.A. Tue's sales 35,307					
Tue's open int 105,215, off 197					

Livestock

	High	Low	Latest	Chge	Opint
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Aug 97	66.52	66.00	66.32	+0.60	7,844
Oct 97	69.97	69.47	69.87	+0.32	51,956
Dec 97	72.35	71.70	72.35	+0.57	21,269
Feb 98	73.80	73.30	73.80	+0.50	10,951
Apr 98	75.15	74.72	75.15	+0.37	4,586
Jun 98	72.10	71.45	72.10	+0.60	2,917
Est. sales N.A. Tue's sales 17,112					
Tue's open int 99,871, off 1,570					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Aug 97	80.75	79.40	80.57	+1.15	5,537
Sep 97	80.35	78.30	80.20	+1.22	3,952
Oct 97	81.05	79.40	80.87	+1.22	6,754
Nov 97	82.05	80.70	81.90	+1.17	3,850
Jan 98	82.10	80.75	81.90	+1.20	2,086
Mar 98	81.50	80.60	81.50	+1.00	973
Est. sales N.A. Tue's sales 7,441					
Tue's open int 23,455, off 201					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Aug 97	79.65	79.12	79.20	-0.67	5,859
Oct 97	72.55	71.75	71.97	-0.07	16,501
Dec 97	68.85	68.15	68.70	+0.32	6,170
Feb 98	67.72	67.00	67.72	+0.55	2,580
Apr 98	63.40	63.10	63.30	+0.12	1,515
Est. sales N.A. Tue's sales 6,462					
Tue's open int 34,307, up 12					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Aug 97	84.90	81.85	84.90	+2.70	839
Feb 98	74.20	73.00	73.80	-0.85	3,473
Mar 98	74.00	72.90	73.60	-0.60	119
Est. sales N.A. Tue's sales 977					
Tue's open int 4,481, off 255					

Food

	High	Low	Latest	Chge	Opint
COCOA (NCSE) 10 metric tons- $ per ton					
Sep 97	1505	1493	1500	+8	10,907
Dec 97	1532	1520	1526	+11	33,974
Mar 98	1561	1550	1557	+13	25,515
May 98	1579	1577	1579	+17	12,211
Jul 98	1592	1592	1592	+10	2,760
Sep 98	1607	1607	1607	+4	3,721
Est. sales N.A. Tue's sales 16,934					
Tue's open int 101,671, off 1,583					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Sep 97	188.50	177.50	183.10	-5.10	6,982
Dec 97	183.50	163.00	165.50	-3.00	8,027
Mar 98	150.50	146.00	149.30	-0.65	3,589
May 98	145.00	140.00	144.30	-0.10	1,123
Jul 98	140.00	137.40	140.00	+0.60	784
Est. sales N.A. Tue's sales 8,493					
Tue's open int 20,879, off 331					
SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Oct 97	11.58	11.41	11.49	-0.02	100,474
Mar 98	11.84	11.68	11.75	-0.02	59,702
May 98	11.82	11.70	11.73	-0.02	13,397
Jul 98	11.68	11.59	11.62	-0.01	7,828
Est. sales N.A. Tue's sales 7,703					
Tue's open int 187,064, off 2,188					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Sep 97	81.20	79.00	79.25	-2.05	14,916
Nov 97	83.25	81.00	81.20	-1.90	10,668
Jan 98	85.40	83.55	83.80	-1.60	5,064
Mar 98	87.75	86.10	86.45	-1.45	3,229
Est. sales N.A. Tue's sales 9,526					
Tue's open int 35,207, up 373					

Metals

	High	Low	Latest	Chge	Opint
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Aug 97	328.60	327.00	328.00	-1.30	756
Sep 97			327.50	unch.	3
Oct 97	331.00	328.00	328.50	-0.30	15,775
Dec 97	332.20	329.70	330.60	-0.20	113,060
Feb 98	335.00	332.40	333.00	+0.30	12,846
Apr 98	336.50	336.50	336.50	-1.80	5,325
Jun 98	336.30	336.10	336.10	-0.80	7,322
Aug 98			339.20	unch.	3,111
Oct 98			341.50	unch.	109
Est. sales N.A. Tue's sales 30,069					
Tue's open int 196,685, off 680					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Aug 97	115.00	104.40	105.00	+0.30	2,277
Sep 97	115.20	104.25	105.15	+0.30	20,891
Oct 97	105.30	104.65	104.65	+0.30	1,753
Nov 97	104.40	103.55	103.55	+0.25	1,380
Dec 97	104.50	102.30	103.10	+0.25	8,643
Jan 98	103.30	102.65	102.65	+0.20	677
Feb 98	102.80	101.90	101.90	+0.10	604
Mar 98	102.40	101.10	101.30	+0.05	2,382
Apr 98	101.50	100.50	100.50	unch.	400
Est. sales N.A. Tue's sales 3,980					
Tue's open int 43,479, up 43					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Aug 97			441.40	unch.	
Sep 97	454.50	442.00	449.00	+6.50	49,889
Oct 97			446.20	unch.	78
Dec 97	462.00	449.00	454.50	+5.50	21,285
Jan 98			450.60	unch.	20
Mar 98	466.00	456.00	462.00	+6.60	10,458
May 98	462.00	462.00	462.00	+2.60	3,022
Jul 98			463.40	unch	2,160
Est. sales N.A. Tue's sales 10,365					
Tue's open int 92,228, off 948					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Oct 97	437.50	428.00	431.50	-3.50	11,866
Jan 98	424.00	421.00	424.00	-1.50	2,583
Apr 98	421.00	421.00	421.00	+1.00	414
Est. sales N.A. Tue's sales 1,049					
Tue's open int 14,863, up 16					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1697.00	1699.00	1712.00	1713.00
Forward	1695.00	1696.00	1715.00	1716.00
Copper Cathodes (High Grade)				
Spot	2308.00	2310.00	2278.00	2281.00
Forward	2290.00	2292.00	2261.00	2262.00
Lead				
Spot	590½	591½	582½	583½
Forward	606.00	607.00	598.00	599.00
Nickel				
Spot	6485.00	6495.00	6630.00	6635.00
Forward	6598.00	6602.00	6739.00	6740.00
Tin				
Spot	5310.00	5320.00	5370.00	5380.00
Forward	5360.00	5370.00	5420.00	5425.00
Zinc (Special High Grade)				
Spot	1588.00	1591.00	1628.00	1631.00
Forward	1485.00	1486.00	1500.00	1501.00

Financial

	High	Low	Close	Chge	Opint
US T BILLS (CMER) $1 million- pts of 100 pct.					
Sep 97	94.91	94.86	94.89	+0.02	7,004
Dec 97	94.80	94.67	94.75	+0.05	2,446
Mar 98			94.60	unch	698
Est. sales N.A. Tue's sales 355					
Tue's open int 10,148, up 83					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Sep 97	106-55	106-18	106-43	+13	208,722
Dec 97	106-34	106-04	106-22	+07	16,648
Est. sales N.A. Tue's sales 46,878					
Tue's open int 225,370, up 2,262					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 97	109-09	108-13	108-30	+07	359,455
Dec 97	108-30	108-03	108-19	+06	40,836
Mar 98			108-03	unch	1,871
Est. sales N.A. Tue's sales 96,891					
Tue's open int 402,162, off 2,011					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Sep 97	113-19	111-31	112-28	+13	515,717
Dec 97	113-06	111-18	112-17	+14	58,972
Mar 98	112-01	111-13	112-03	+08	31,862
Jun 98			111-13	unch.	2,138
Est. sales N.A. Tue's sales 404,019					
Tue's open int 610,364, off 8,596					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 97	114-21	114-06	114-12	-0-13	168,775
Dec 97	N.T.	N.T	113-30	-0-13	
Est. sales: 79,459. Prev. sales: 58,349					
Prev. open int.: 178,754 off 6,356					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep 97	102.72	101.72	101.91	-0.31	265,044
Dec 97	101.31	101.00	101.08	-0.31	18,512
Mar 98	N.T.	N.T.	100.25	-0.31	283,556
Est. sales: 200,485. Prev. sales: 170,256					
Prev. open int.: 283,556 up 2,715					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 97	129.70	129.18	129.26	-0.36	171,138
Dec 97	98.66	98.30	98.24	-0.34	11,866
Mar 98	97.82	97.82	97.64	-0.34	0
Est. sales: 140,246.					
Open int.: 183,004 off 679.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Sep 97	135.93	135.07	135.23	-0.97	104,341
Dec 97	107.50	107.50	107.50	-0.82	5,092
Mar 98	N.T.	N.T.	107.96	-0.82	
Est. sales: 63,940. Prev. sales: 50,613					
Prev. open int.: 109,433 up 4,677					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct					
Aug 97	94.35	94.33	94.35	+0.01	18,727
Sep 97	94.35	94.31	94.34	+0.01	11,938
Oct 97	94.32	94.27	94.30	+0.01	6,748
Est. sales N.A. Tue's sales 3,491					
Tue's open int 49,794, up 959					
EURODOLLARS (CMER) $1 million-pts of 100 pct					
Aug 97	94.26	94.23	94.25	unch.	18,755
Sep 97	94.27	94.21	94.25	+0.02	507,896
Oct 97	94.18	94.10	94.14	+0.02	3,279
Dec 97	94.11	93.96	94.06	+0.06	483,259
Mar 98	94.02	93.86	93.97	+0.07	336,489
Jun 98	93.91	93.74	93.86	+0.07	273,558
Sep 98	93.81	93.64	93.75	+0.06	226,416
Dec 98	93.70	93.57	93.64	+0.06	185,909
Mar 99	93.68	93.51	93.62	+0.06	135,866
Jun 99	93.64	93.47	93.58	+0.06	102,032
Sep 99	93.60	93.44	93.55	+0.06	85,287
Dec 99	93.53	93.37	93.45	+0.03	73,215
Est. sales N.A. Tue's sales 326,777					
Tue's open int 2,811,881, off 8,536					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Sep 97	1.5848	1.5690	1.5840	+0.0086	52,765
Dec 97	1.5780	1.5630	1.5780	+0.0080	1,028
Mar 98		1.5590	1.5590	-0.0052	209
Est. sales N.A. Tue's sales 8,473					
Tue's open int 54,002, up 1,155					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Sep 97	.7219	.7183	.7192	+0.0001	51,657
Dec 97	.7260	.7220	.7224	-0.0002	4,529
Mar 98	.7289	.7249	.7249	-0.0005	669
Est sales N.A. Tue's sales 7,982					
Tue's open int 57,100, off 12					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Sep 97	.5482	.5370	.5460	+0.0086	115,481
Dec 97	.5515	.5410	.5494	+0.0088	3,850
Mar 98	.5540	.5494	.5531	+0.0092	1,005
Est sales N.A Tue's sales 20,920					
Tue's open int 120,443, up 1,266					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Sep 97	.8713	.8605	.8687	+0.0064	70,674
Dec 97	.8830	.8747	.8812	+0.0075	2,265
Mar 98	.8925	.8915	.8915	+0.0059	412
Est sales N.A. Tue's sales 14,551					
Tue's open int 73,356, off 2,148					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Sep 97	.6673	.6570	.6641	+0.0064	53,273
Dec 97	.6745	.6671	.6709	+0.0063	2,251
Mar 98			.6716	unch.	1,065
Est. sales N.A. Tue's sales 9,769					
Tue's open int 56,799, off 35					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Sep 97	.12700	.12610	.12697	+.00227	23,520
Dec 97	.12255	.12180	.12247	+.00177	13,886
Mar 98	.11850	.11835	.11850	+.00156	5,153
Est. sales N.A. Tue's sales 3,714					
Tue's open int 44,469, up 125					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Sep 97	92.78	92.75	92.76	-0.02	112,367
Dec 97	92.66	92.60	92.62	-0.03	127,504
Mar 98	92.64	92.58	92.59	-0.04	98,361
Jun 98	92.65	92.58	92.60	-0.04	68,888
Sep 98	92.68	92.61	92.62	-0.04	55,119
Dec 98	92.72	92.66	92.66	-0.04	46,761
Mar 99	92.76	92.70	92.71	-0.03	37,974
Est. sales: 109,481. Prev sales: 110,367					
Prev open int: 626,325 off 1,328					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Aug 97	N.T.	N.T.	96.70	-0.02	976
Sep 97	96.65	96.61	96.63	-0.02	263,555
Oct 97	N.T	N.T	96.57	-0.02	1,752
Dec 97	96.46	96.41	96.44	-0.04	294,778
Mar 98	96.34	96.26	96.31	-0.05	283,796
Jun 98	96.14	96.03	96.09	-0.07	202,520
Sep 98	95.93	95.85	95.88	-0.08	153,594
Dec 98	95.69	95.62	95.65	-0.07	151,968
Mar 99	95.50	95.43	95.46	-0.06	115,288
Jun 99	95.31	95.24	95.28	-0.05	71,150
Est. sales: 278,933. Prev. sales: 250,756					
Prev open int.: 1,676,268 up 14,127					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Sep 97	96.51	96.47	96.48	-0.02	66,279
Dec 97	96.32	96.27	96.28	-0.04	41,434
Mar 98	96.21	96.15	96.17	-0.05	30,033
Jun 98	96.10	96.03	96.04	-0.08	25,574
Sep 98	95.97	95.90	95.90	-0.09	31,304
Est. sales: 69,069					
Open int.: 266,312 off 1,709.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Sep 97	93.22	93.18	93.20	-0.02	102,466
Dec 97	93.53	93.46	93.51	-0.02	96,868
Mar 98	93.83	93.77	93.81	-0.05	52,811
Jun 98	94.10	94.03	94.07	-0.06	42,358
Sep 98	94.26	94.18	94.21	-0.08	36,304
Dec 98	94.36	94.28	94.31	-0.08	29,096
Est. sales: 49,933. Prev. sales: 33,597					
Prev. open int.: 384,758 up 2,034					

Industrials

	High	Low	Latest	Chge	Opint
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 97	74.88	74.45	74.85	+0.06	10,280
Dec 97	74.93	74.50	74.85	+0.07	42,283
Mar 98	76.15	75.82	76.15	unch.	11,886
May 98	76.65	76.49	76.65	-0.10	4,053
Jul 98	77.38	77.15	77.30	-0.03	2,987
Est. sales N.A. Tue's sales 10,610					
Tue's open int 78,256, up 386					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Sep 97	56.10	54.75	55.85	+0.75	35,753
Oct 97	56.85	55.65	56.65	+0.69	31,324
Nov 97	57.55	56.50	57.40	+0.64	18,109
Dec 97	58.40	57.25	58.10	+0.54	19,897
Jan 98	59.00	57.90	58.90	+0.79	15,480
Feb 98	58.85	58.10	58.85	+0.64	8,046
Mar 98	57.60	57.35	57.45	+0.14	7,229
Est. sales N.A. Tue's sales 25,469					
Tue's open int 147,336, off 1,224					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Sep 97	20.25	19.75	20.16	+0.17	75,063
Oct 97	20.48	19.98	20.37	+0.20	75,971
Nov 97	20.50	20.08	20.45	+0.20	40,147
Dec 97	20.55	20.12	20.50	+0.22	49,945
Jan 98	20.52	20.15	20.50	+0.22	29,365
Feb 98	20.29	20.29	20.29	+0.01	14,649
Est. sales N.A. Tue's sales 70,865					
Tue's open int 440,088, up 1,118					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Sep 97	2.490	2.405	2.460	-0.015	44,647
Oct 97	2.510	2.420	2.470	-0.008	34,140
Nov 97	2.600	2.520	2.560	-0.013	15,443
Dec 97	2.705	2.640	2.680	-0.004	19,467
Jan 98	2.710	2.650	2.695	-0.001	18,938
Feb 98	2.560	2.505	2.545	unch.	13,706
Est sales N.A. Tue's sales 60,936					
Tue's open int 215,587, off 2,067					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Sep 97	65.95	62.90	65.55	+1.84	37,133
Oct 97	60.50	59.00	60.40	+0.78	22,678
Nov 97	58.40	57.55	58.40	+0.38	9,555
Dec 97	57.80	56.95	57.75	+0.28	9,645
Jan 98	57.80	57.00	57.70	+0.18	8,830
Feb 98			57.92	unch.	3,508
Mar 98	58.20	58.20	58.20	-0.27	4,675
Apr 98			61.12	unch.	2,159
Est sales N.A. Tue's sales 32,285					
Tue's open int 99,897, up 1,098					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Sep 97	170.75	169.50	170.00	-0.75	25,585
Oct 97	172.50	171.50	172.00	-0.75	12,999
Nov 97	174.00	173.25	173.75	-0.75	6,578
Dec 97	175.25	174.75	175.25	-0.75	13,504
Jan 98	176.00	175.75	175.75	-0.75	8,082
Feb 98	N.T	N.T.	175.25	-0.75	5,136
Mar 98	174.00	174.00	173.75	Unch.	2,438
Est. sales: 7,500. Prev. sales: 25,721					
Prev. open int.: 80,020 off 3,911					

Stock Indexes

	High	Low	Latest	Chge	Opint
SP COMP INDEX (CMER) 500 x index					
Sep 97	941.00	916.00	933.00	+5.35	186,144
Dec 97	950.00	926.50	942.25	+4.50	7,491
Mar 98			948.05	unch.	2,314
Est. sales N.A. Tue's sales 68,344					
Tue's open int 196,658, up 3,071					
FTSE 100 (LIFFE) £25 per index point					
Sep 97	5102.0	5076.0	5020.0	-95.0	71,803
Dec 97	5128.0	5128.0	5086.0	-95.0	6,298
Mar 98	N.T	N.T	5133.0	-95.0	221
Est. sales: 16,485 Prev. sales: 9,592					
Prev. open int.: 78,322 off 61					
CAC 40 (MATIF) FF200 per index point					
Aug 97	2989.5	2918.0	2924.0	-81.0	25,535
Sep 97	2992.5	2928.0	2932.5	-81.0	23,870
Dec 97	3006.0	3006.0	2957.0	-81.0	928
Est. sales: 23,298.					
Open int.: 68,749 off 128					

Commodity Indexes

	Close	Previous
Moody's	N.A.	1,564.90
Reuters	1,903.60	1,911.00
D.J. Futures	150.17	150.38
CRB	243.26	243.10

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

See our **Friendships** every Saturday in The Intermarket

U.K. Joblessness Hits 17-Year Low at 5.5%; Rate Rises on Hold

Compiled by Our Staff From Dispatches

LONDON — Unemployment in Britain fell more than expected in July, pulling the jobless rate down to 5.5 percent, the lowest in 17 years, from 5.7 percent in June, official figures showed Wednesday.

The Office for National Statistics also said growth in average earnings, an important barometer of future inflationary trends, remained steady in June at 4.25 percent.

Meanwhile, the Bank of England officially declared British interest rates on hold.

In its quarterly inflation report, the central bank announced a pause in the current round of rate increases so that it could assess where the key risks for inflation lay.

After four quarter-point rises in as many months, it said that the next move in rates would not necessarily be upward.

The bank's announcement came after news that the number of people out of work had fallen by a larger-than-expected 49,800 in July to 1.55 million, the lowest level since September 1980.

The figures gained from a fall in the number of students forced to take up benefits after leaving full-time education.

Baroness Blackstone, education and employment minister, welcomed the data but warned that job prospects for young people remained insecure.

"This July, the flow of people onto the unemployment count is significantly lower than a year ago, indicating that young people may be finding it easier to get jobs," Baroness Blackstone said.

"However, long-term youth unemployment remains a problem. One in five people unemployed for six months or more is under 25."

The ministry also said long-term unemployment "continues to fall faster than the total," but with almost one in five claimants having been unemployed for two years or longer, it said, long-term unemployment remained high by historical standards.

The Bank of England, meanwhile, said that monetary policy had reached "a position at which it should be possible to pause" to assess the "direction in which the inflation risks are likely to materialize."

The bank's chief economist, Mervyn King, added that it would be wrong to assume that rates would resume their upward path after the pause.

"I don't think you can come to that conclusion," he said. "We have not decided that the next move in interest rates would be upward."

The Bank of England hinted last week that interest rates might have peaked after their latest quarter-point increase, to 7 percent.

(Reuters, AFP)

Scottish Bank Plans to Buy Mortgage Firm

Compiled by Our Staff From Dispatches

LONDON — Royal Bank of Scotland PLC said Wednesday that it would buy Birmingham Midshires Building Society for as much as £630 million ($994.3 million) to double its mortgage assets and extend its branch network into England.

The final price will be based on Birmingham Midshires' profits for the year ending June 30, 1998. If a pricing formula agreed by the two companies pushed the value below a minimum of £605 million, either party could cancel the deal.

The deal would mean that Birmingham Midshires would be dissolved as a home building society — owned by its members — and incorporated into the bank.

The Royal Bank of Scotland, based in Edinburgh, could become Britain's 10th-largest mortgage lender, handling property mortgages worth £12 billion, doubling its mortgage business and adding savings depositors and a million customers. (Bloomberg, AP)

Europeans Await Free Calls With Ads

Reuters

BONN — Thousands of Europeans, accustomed to paying some of the world's highest telephone bills, could soon benefit when new phone companies begin to offer free phone calls.

But there is a price to pay: callers will be subjected to advertising spots before and at regular intervals during their calls in exchange for the service.

The latest free call project was announced in Germany on Wednesday, but there are also services in Italy and Sweden, where Gratistelefon, or Free Telephone, has attracted thousands of users since its launch last year.

The novelty is likely to be a small taste of things to come when European telecommunications markets are thrown open to competition in January and consumers are given choice of service.

"There are lots of ideas that could be tested, and we are eagerly awaiting the response to them," Ulf Bohla, chairman of the German phone company O.Tel.O., said at a news conference unveiling its free phone project.

O.Tel.O., the joint venture of Germany's two largest utilities, Veba AG and RWE AG, will begin offering free phone calls to 5,000 people in the German capital in October in a service called "O.Tel.O-Spotline".

When placing a call, a short advertising message is transmitted before the call is completed, and at regular intervals during the call, around every 2-3 minutes in most cases.

In Italy, Promotion System Phone service run by Paolo Balestri, a Tuscan entrepreneur, was offering free phone trials in three northern Italian towns.

Swiss Bank Corp. Reports 84% Rise in 1st-Half Profit

Compiled by Our Staff From Dispatches

ZURICH — Swiss Bank Corp. reported an 84 percent increase in first-half profit Wednesday — the best of a bumper crop of results for Switzerland's big three banks.

Net profit in the first six months of the year was 1.33 billion Swiss francs ($871.2 million), up from 732 million Swiss francs in the comparable period in 1996. The bank said it expected full-year net profit to "comfortably exceed" 1.7 billion francs, although it expected earnings growth to slow in the second half.

For the first time, SBC Warburg, the company's London-based investment banking division, accounted for more profit than any other division. SBC Warburg's net profit rose 60 percent, to 691 million francs. Profit at SBC's private banking unit rose 36 percent, to 653 million francs, the bank said.

SBC said its 1996 reorganization of its Swiss operations, to counter rising credit-risk provisions, helped raise profit. (AP, Bloomberg)

Hoechst Sees Lower '97 Net As 1st-Half Profit Skids

Compiled by Our Staff From Dispatches

FRANKFURT — Hoechst AG, Germany's largest chemicals and pharmaceuticals maker, said Wednesday that its net profit fell 54 percent and predicted that its 1997 profit would be lower than in 1996, when the company benefited from extraordinary income from sales of operations.

Net profit for the first six months fell to 1.01 billion Deutsche marks ($540 million) from 2.21 billion DM a year earlier. Sales totaled 27.89 billion DM, compared with 26.09 billion DM in the like period of 1996.

Operating profit in the period fell to 2.27 billion DM from 2.77 billion DM.

More than half of the growth in operating profit in the first half came from the current strength of the dollar, Klaus-Juergen Schmieder, chief financial officer, said

For the year, the company said sales would decline markedly because of spin-offs, as its specialty-chemicals business was due to be spun off to Clariant and its polypropylene business to Targor.

Hoechst, like other big German chemical makers, has reorganized to concentrate on core businesses, while shifting its focus abroad. It thus benefited from an economic upswing outside Germany.

Shares in Hoechst fell 1.2 percent, or 1.50 DM, to close at 81.

"We are positive on Hoechst," said Murat Uguz, a fund manager at Ceros Vermoegensverwaltung GmbH in Frankfurt. (AFX, Bloomberg)

Head of Russia's Privatization Panel Quits

Compiled by Our Staff From Dispatches

MOSCOW — The head of Russia's economic privatization program, Alfred Kokh, resigned Wednesday as chairman of the State Property Committee following his denunciation for having presided over a series of controversial sales of enterprises by auction.

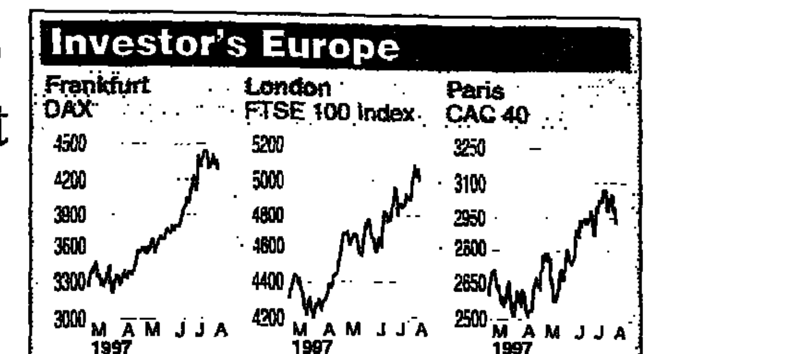
Mr. Kokh was replaced by Maxim Boiko, another ally of the economic policy chief, Anatoli Chubais.

Mr. Kokh's spokesman, Viktoria Vergelskaya, said the resignation was not linked to the privatization controversies, stressing that Mr. Kokh "had long wanted to leave government service but was not allowed to go."

Mr. Kokh has presided over a particularly stormy phase of Russia's sale of enterprises to private citizens, and he was singled out for criticism recently by Prime Minister Viktor Chernomyrdin.

The biggest deal yet, the sale last month of a quarter of the big telecommunications company Svyazinvest, provoked an outcry in press and broadcasting outlets controlled by business circles linked to the losing consortium. (AFP, Reuters)

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	935.76	978.40	-4.36
Brussels	BEL-20	2,399.10	2,451.95	-2.16
Frankfurt	DAX	4,278.48	4,363.09	-1.94
Copenhagen	Stock Market	632.23	631.44	+0.13
Helsinki	HEX General	3,600.85	3,629.36	-0.79
Oslo	OBX	708.10	720.11	-1.67
London	FTSE 100	5,001.00	5,075.80	-1.47
Madrid	Stock Exchange	592.57	596.84	-0.72
Milan	MIBTEL	14398	14600	-1.38
Paris	CAC 40	2,924.84	2,998.57	-2.49
Stockholm	SX 16	3,528.44	3,623.59	-2.63
Vienna	ATX	1,408.14	1,425.47	-1.22
Zurich	SPI	3,640.95	3,713.35	-1.95

Source: Telekurs — International Herald Tribune

Very briefly:

- **Italian** producer prices in June rose 1.6 percent from a year earlier, the fastest pace at which consumer prices have risen on an annual basis in more than a year. The annual rate recorded in May was 1.1 percent.
- **Axa-UAP**, born from the merger this year of Axa SA and UAP SA, posted first-half revenue of 185.8 billion French francs ($29.59 billion), up 12.7 percent from a year earlier, largely on strong earnings at its foreign operations.
- **Renault** had second-quarter sales of 52.48 billion francs, up 9.5 percent from a year earlier, as improving car sales in Britain, Italy and Spain countered shrinking sales at home.
- **LVMH Moet Hennessy Louis Vuitton SA's** second-quarter sales came to 10.73 billion francs, up 55 percent from a year earlier, as acquisitions and the strong dollar helped sales of luxury items.
- **Michelin SCA**, Europe's largest tiremaker, said second-quarter sales rose 12.6 percent from a year earlier, to 20.05 billion francs; it said the strong dollar had spurred sales in its U.S. units.
- **Scandinavian Airlines System's** second-quarter pretax profit rose 59 percent from a year earlier, surpassing expectations, to 1.38 billion Swedish kronor ($172.4 million) as strong traffic helped lift it out of a slump that produced a loss in the first quarter.
- **Energy Group PLC** said first-quarter operating profit fell 2 percent, to £96 million ($151.5 million), as cuts in transmission revenue were not offset by a rise in profit from electricity and coal sales.
- **The European Commission** is investigating **KLM Royal Dutch Airlines** for allegedly trying to limit competition on the Amsterdam-London route, the Dutch daily Trouw said.
- **Merita Oy**, Finland's largest bank, said second-quarter profit more than doubled as bad-debt charges fell. Net income rose to 816 million markkaa ($146.7 million) from 393 million markkaa a year earlier.

Bloomberg, AFX, AFP, Reuters

The Trib Index

Prices as of 3:00 P.M. New York time

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	175.86	-0.84	-0.48	+17.92
Regional Indexes				
Asia/Pacific	130.99	+1.02	+0.78	+6.12
Europe	185.07	-1.71	-0.92	+14.81
N. America	205.71	-0.75	-0.36	+27.05
S. America	170.54	-1.15	-0.67	+49.03
Industrial Indexes				
Capital goods	228.35	+0.49	+0.22	+33.60
Consumer goods	188.70	-1.17	-0.62	+16.89
Energy	197.62	-2.58	-1.29	+15.76
Finance	134.86	-0.05	-0.04	+15.80
Miscellaneous	190.88	+1.25	+0.66	+17.99
Raw Materials	193.82	-1.33	-0.68	+10.51
Service	166.49	-0.62	-0.37	+21.24
Utilities	167.44	-0.85	-0.51	+16.72

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News

WORLD STOCK MARKETS

Wednesday, Aug. 13

Prices in local currencies. Telekurs

Amsterdam
AEX index: 935.76 Previous: 978.40

	High	Low	Close	Prev.
ABN-AMRO	48.40	44.70	45.20	48.50
Aegon	154.90	147.80	149	154.20
Ahold	60.40	54.20	55	58.70
Akzo Nobel	341.70	330	330.50	346
Baan Co.	142.80	136.50	136.50	143.10
Bols Wess cva	40.90	39.20	39.60	41.40
CSM cva	106	103.20	105	108.50
Dordtsche Pet	114.40	108.90	109.50	114.50
DSM	210.40	207	207	217
Elsevier	33.80	31.20	32.70	33.90
Fortis Amev	91	85.10	86.80	90.80
Getronics	72.90	70.20	70.20	73.90
G-Broc cva	64.70	63	63.80	64.70
Hagemeyer	114.80	108.70	110.70	114.10
Heineken	331.50	322.50	322.50	331
Hoogovens cva	124.50	116.50	118	125.80
Hunt Douglas	97	93	94.10	97
ING Group	99.30	93.80	95	99.50
KLM	73.40	67.60	70.50	73.50
KNP BT	49.70	48.20	48.80	50.30
KPN	82.60	79.70	80.10	82.80
Nedlloyd Gp	67.40	65.50	66.30	67.80
Nutricia	361	352	356	362.50
Oce Grinten	260.50	251.50	254.70	261
Philips Elec	160	153.50	155.40	162.60
Polygram	119.80	110.50	110.50	119.30
Randstad Hdg	87	84	85.90	87.50
Robeco	205.20	203.20	203.30	205.50
Rodamco	63.40	62.20	62.60	63.80
Rolinco	207.70	206.80	206.80	208.50
Rorento	118.60	118.40	118.60	118.20
Royal Dutch	114.70	108.50	110	114.80
Unilever cva	472.50	458.50	460	477.90
Vendex Intl	110.30	106.10	108.30	111
VNU	46.90	44.80	45.50	46.80
Wolters Kl cva	283	270.10	271.20	284.70

Bangkok
SET index: 632.73 Previous: 632.35

	High	Low	Close	Prev.
Adv Info Svc	232	222	224	226
Bangkok Bk F	252	230	240	226
Krung Thai Bk	31.50	30.50	31	30.50
PTT Explor	408	404	406	408
Siam Cement F	696	680	692	680
Siam Com Bk F	138	134	135	135
Telecomasia	44	42.75	43	42
Thai Airways	52	49.50	50	51
Thai Farm Bk F	153	148	149	149
Utd Comm	137	135	136	136

Bombay
Sensex 30 index: 4370.13 Previous: 4425.03

	High	Low	Close	Prev.
Bajaj Auto	896	875	881.50	888
Hindust Lever	1530	1514	1518	1536.25
Hindust Petm	501	490.25	496.50	492
Ind Dev Bk	114.50	107.50	112	106.75
ITC	578	549	574.50	576.75
Mahanagar Tel	293.75	280	282	285
Reliance Ind	376.50	371.50	373.25	375.50
State Bk India	325.75	321	322.75	327
Steel Authority	23.50	22.25	22.75	23.75
Tata Eng Loco	375.50	368	374.50	373.50

Brussels
BEL-20 index: 2399.10 Previous: 2451.95

	High	Low	Close	Prev.
Almanij	17000	16650	16600	17000
Barco Ind	7670	7410	7540	7590
BBL	9140	8960	8970	9180
CBR	3320	3160	3160	3330
Colruyt	18300	17600	17600	18000
Delhaize Lion	1870	1810	1845	1890
Electrabel	7700	7650	7660	7700
Electrafina	3585	3545	3555	3585
Fortis AG	7630	7400	7460	7660
Gevaert	3430	3350	3380	3440
GBL	5960	5850	5890	5980
Gen Banque	14800	14300	14375	14775
Kredietbank	15075	14700	14875	14975
Petrofina	14200	13725	13950	14275
Powerfin	4910	4875	4890	4920
Royale Belge	10600	10250	10250	10550
Soc Gen Belg	3480	3320	3370	3510
Solvay	21050	20625	20625	21050
Tractebel	14775	14675	14700	14750
UCB	128800	123500	123500	127000

Copenhagen
Stock index: 632.23 Previous: 631.44

	High	Low	Close	Prev.
BG Bank	396	391	394	394
Carlsberg B	347	340	345	343
Codan Fors	950	930	950	935
Danisco	385	376	377.47	378
Den Danske Bk	727	708	727	710
D/S Svendbrg B	440000	435000	435000	435000
D/S 1912 B	310000	295000	295000	297500
FLS Ind B	245	240	240	240
Kob Lufthavne	725	725	725	727
Nvo Nordisk B	720	694.61	712	704
Sophus Ber B	985	975	987	990
Tele Danmk B	389.39	382	389	390
Tryg Baltica	422	410	420	415
Unidanmark A	427	422.94	425	426

Frankfurt
DAX: 4278.48 Previous: 4363.09

	High	Low	Close	Prev.
AMB B	1902	1802	1802	1800
Adidas	236	233	233	233.50
Allianz Hdg	431.50	426.50	427.50	437
Altana	146.45	140	140	146
Bk Berlin	51.20	49.95	49.95	51.90
BASF	73	72.20	72.20	73.55
Bayer Hypo Bk	70.60	70.20	70.20	71.90
Bay.Vereinsbank	96.20	95.40	95.50	95.50
Bayer	77.30	75.80	75.80	77.70
Beiersdorf	88.70	88	86	90
Bewag	40.90	40	40	40.90
BMW	1425	1413	1413	1443
CKAG Colonia	178	177	177	179
Commerzbank	67.60	66.40	66.40	68.35
Daimler Benz	148.20	147.10	147.10	149.10
Degussa	103.60	102.70	102.70	103
Deutsche Bank	118.10	117.50	117.50	119.70
Deut Telekom	41.95	41.20	41.40	42.45
Dresdner Bank	83.20	81	81.20	83.70
Fresenius	355	347	350	339
Fresenius Med	161.80	158.50	160	161.30
Fried. Krupp	365	363.50	365	343.50
Gehe	114.90	113.50	113.50	114.40
Heidelbg Zmt	155	154	155	154.50
Henkel pfd	106.50	102	106.40	104.50
HEW	455	455	455	460
Hochtief	93	89.20	91	89.30
Hoechst	82.40	81	81	82.50
Karstadt	707	692	694	711.50
Lahmeyer	98.80	97	98.50	99.50
Linde	1400	1383	1395	1398
Lufthansa	36.55	35.90	36.15	36.20
MAN	545.50	543.50	544	548
Mannesmann	865	849	850	855
Metallgesellschaft	42.10	41	41.25	42.70
Metro	96.40	96	96	96.80
Munch Rueck R	6520	6470	6475	6650
Preussag	561	555	555.20	565
RWE	81.60	80	80	83.35
SAP pfd	427	422	426	437
Schering	205	201.10	201.10	207.70
SGL Carbon	244	238	240	252.50
Siemens	122.90	121.80	122.15	125.75
Springer (Axel)	1570	1570	1570	1600
Suedzucker	875	863	864	875
Thyssen	434	428	428.50	435.20
Veba	108.80	107.40	107.65	109
VEW	575	575	573	574
Viag	784	778	780	789
Volkswagen	1344	1325	1325	1351

Helsinki
HEX General index: 3600.85 Previous: 3629.36

	High	Low	Close	Prev.
Enso A	51.20	49.50	51	51.50
Huhtamaki I	239.90	238.50	239	240
Kemira	49.50	48.90	48.90	49.50
Kesko	76.20	75	75	76
Merita A	23.50	22.30	22.90	22.70
Metra B	184	181	182.50	185
Metsa-Serla B	51.70	50	51.50	51.20
Neste	149.90	146	147	150
Nokia A	470	459	465	469
Orion-Yhtymae	196.50	192.50	193	197
Outokumpu A	106	104.50	105	106
UPM-Kymmene	144	140.50	142	143.40
Valmet	85.60	84.10	84.50	85.80

Hong Kong
Hang Seng: 16482.93 Previous: 16383.41

	High	Low	Close	Prev.
Amoy Props	9.15	8.95	9.10	9.15
Bk East Asia	31.70	30.80	31.20	31.10
Cathay Pacific	14.50	14.20	14.20	14.60
Cheung Kong	93.25	91	92.75	92.25
CK Infrastruct	27.20	26.85	27	27.40
China Light	43.80	42.70	43.70	43.60
Citic Pacific	52.25	50.50	52	51.50
Dao Heng Bk	46.50	45.10	46.50	45.50
First Pacific	9.60	9.25	9.50	9.40
Hang Lung Dev	14.85	14.70	14.75	14.95
Hang Seng Bk	107.50	104.50	107	107
Henderson Inv	9.20	8.80	9.20	8.80
Henderson Ld	73.25	69.50	73	70.75
HK China Gas	16.75	16.50	16.75	16.60
HK Electric	31.10	30.70	30.80	30.70
HK Telecomm	19.05	18.70	19	19
Hopewell Hdgs	4.80	4.63	4.70	4.70
HSBC Hdgs	275	270	274	273
Hutchison Wh	82	78.50	81.50	79.50
Hysan Dev	26	25.20	25.85	26
Johnson El Hdg	21.10	20.85	21.10	20.85
Kerry Props	20.90	20.75	20.75	20.80
New World Dev	56.75	53	56	56.75
Oriental Press	2.90	2.83	2.90	2.88
Pearl Oriental	1.34	1.28	1.31	1.31
SHK Props	99.25	96.75	99.25	100
Shun Tak Hdgs	4.83	4.75	4.75	4.85
Sino Land Co.	8.25	7.85	8.25	8
Sth China Post	7.70	7.20	7.70	7.80
Swire Pac A	71.50	69	71	69.75
Wharf Hdgs	32.50	31.60	32.40	32.20
Wheelock	18.40	18	18.35	18.35

Jakarta
Composite index: 658.60 Previous: 662.95

	High	Low	Close	Prev.
Astra Intl	8000	7800	8000	7950
Bk Intl Indon	1650	1575	1575	1625
Bk Negara	1450	1400	1425	1425
Gudang Garm	9550	9200	9350	9100
Indocement	3925	3850	3875	3925
Indofood	4925	4800	4900	5100
Indosat	7050	7025	7050	7050
Sampoerna HM	8325	8150	8200	8325
Semen Gresik	3875	3750	3850	3825
Telekomunikasi	3800	3725	3725	3800

Johannesburg
All Market: 7537.99 Previous: 7579.95

	High	Low	Close	Prev.
Amalgamatd Bks	32.15	31.70	31.85	31.85
AngloAm Coal	257	254.75	257	257
AngloAm Corp	266	263	268	268
AngloAm Gold	270	264.50	264.50	266.50
AngloAm Ind	210.75	210	211.25	211.25
AVMIN	11.90	11.60	11.35	11.35
Barlow	59	57.50	58.75	58.75
C.G. Smith	26	25.70	26.10	26.10
De Beers	158	153	163	163
Driefontein	35.75	35.25	34.90	34.90
Fst Natl Bk	39.50	39	39.20	39.20
Gencor	10.55	10.40	10.65	10.45
GFSA	97.50	96.50	97	97
Imperial Hdgs	60.50	59.75	60.75	60.75
Ingwe Coal	24.50	24	24.50	24.50
Iscor	3.20	3.12	3.23	3.23
Johnnies Indl	67	64	65.25	65.25
Liberty Hdgs	377.75	375	377.75	377.75
Liberty Life	145	142	145.50	145.50
LibLife Strat	18.55	18.55	18.55	18.55
Minorco	98.75	98	98.75	98.75
Nampak	19.20	19.15	19.25	19.25
Nedcor	98	96	98.50	98.50
Rembrandt Gp	46.65	45.80	46.25	46.25
Richemont	68.25	66.75	67.75	67.75
Rust Platinum	85	84.25	84.75	84.75
SA Breweries	146	144	145.50	145.50
Samancor	40	39.95	40	40
Sasol	59.75	58.25	59	59
SBIC	221.25	220	220	220
Tiger Oats	79.75	79	79.75	79.75

Kuala Lumpur
Composite: 908.83 Previous: 897.25

	High	Low	Close	Prev.
AMMB Hdgs	12.40	11.70	12.20	11.70
Genting	10.80	10.50	10.60	10.50
Mal Banking	22.60	22.10	22.50	22
Mal Intl Ship F	5.70	5.40	5.55	5.40
Petronas Gas	9.20	8.90	9.20	9
Proton	9.25	8.90	9	9.15
Public Bk	2.59	3.50	3.54	3.50
Renong	3.42	3.20	3.40	3.40
Resorts World	7.50	7.25	7.50	7.25
Rothmans PM	25.50	23.80	25	23.50
Sime Darby	7.90	7.70	7.80	7.70
Telekom Mal	9.10	8.70	8.80	8.70
Tenaga	9.90	9.45	9.60	9.45
Utd Engineers	16.40	15.80	16.20	15.80
YTL	7.20	6.85	7.20	7.20

London
FT-SE 100: 4996.80 Previous: 5075.80

	High	Low	Close	Prev.
Abbey Natl	8.32	8.13	8.17	8.31
Allied Domecq	4.92	4.71	4.76	4.75
Anglian Water	7.75	7.65	7.70	7.78
Argos	6.43	6.34	6.38	6.40
Asda Group	1.52	1.48	1.50	1.50
Assoc Br Foods	5.47	5.40	5.40	5.50
BAA	5.91	5.78	5.87	5.82
Barclays	14.37	13.90	14.02	14.42
Bass	8.50	8.36	8.40	8.48
BAT Ind	5.28	5.11	5.16	5.18
Bank Scotland	4.43	4.28	4.28	4.47
Blue Circle	4.48	4.39	4.39	4.48
BOC Group	11.32	11.17	11.21	11.46
Boots	7.89	7.64	7.83	7.85
BPB Ind	3.53	3.47	3.49	3.63
Brit Aerosp	15.28	14.97	15	15.34
Brit Airways	6.42	6.25	6.25	6.31
BG	2.62	2.55	2.55	2.60
Brit Land	6.12	6.03	6.08	6.14
Brit Petm	9.24	9	9.02	9.13
BSkyB	4.86	4.63	4.77	4.85
Brit Steel	1.75	1.72	1.73	1.75
Brit Telecom	4.43	3.74	3.95	3.98
BTR	2.02	1.93	1.97	1.99
Burmah Castrol	11.42	11.25	11.30	11.29
Burton Gp	1.28	1.26	1.26	1.28
Cable Wireless	5.90	5.78	5.78	5.92
Cadbury Schw	6.16	6.04	6.08	6.18
Carlton Comm	4.94	4.81	4.85	4.89
Comml Union	7.48	7.29	7.30	7.45
Compass Gp	6.53	6.46	6.50	6.50
Courtaulds	3.45	3.38	3.38	3.44
Dixons	6.22	6.09	6.18	6.17
Electrocomponents	4.90	4.83	4.86	4.85
EMI Group	5.87	5.73	5.77	5.85
Energy Group	6.32	6.27	6.27	6.30
Enterprise Oil	7.21	7.10	7.10	7.22
Fam Colonial	1.80	1.78	1.79	1.81
Genl Accident	9.72	9.44	9.57	9.65
GEC	4.01	3.85	3.87	3.96
GKN	12.89	12.42	12.75	12.70
Glaxo Wellcome	12.73	12.10	12.22	12.73
Granada Gp	8.15	8.03	8.09	8.15
Grand Met	5.96	5.83	5.87	5.92
GRE	3	2.89	2.89	2.98
Greenalls Gp	4.67	4.60	4.66	4.60
Guinness	5.89	5.80	5.89	5.88
GUS	6.44	6.36	6.39	6.40
Hays	6.14	5.98	6.12	6.08
HSBC Hdgs	23.33	22.16	22.28	22.52
ICI	10.95	10.40	10.53	11.06
Impl Tobacco	4.04	3.97	3.98	3.97
Kingfisher	7.50	7.38	7.39	7.49
Ladbroke	2.60	2.51	2.53	2.55
Land Sec	9.57	9.43	9.47	9.52
Lasmo	2.79	2.72	2.75	2.77
Legal Genl Grp	4.59	4.49	4.51	4.58
Lloyds TSB Gp	7.65	7.38	7.41	7.59
LucasVarity	2.14	2.06	2.08	2.16
Marks Spencer	6	5.90	5.93	5.98
MEPC	4.99	4.88	4.89	5.02
Mercury Asset	13.95	13.62	13.64	13.94
National Grid	2.51	2.45	2.47	2.48
Natl Power	5.37	5.26	5.33	5.39
NatWest	8.46	8.20	8.24	8.30
Next	8.12	7.98	7.98	8.13
Norwich Union	3.39	3.18	3.32	3.22
Orange	2.17	2.12	2.12	2.15
P&O	6.41	6.22	6.28	6.27
Pearson	7.90	7.70	7.80	7.90
Pilkington	1.54	1.48	1.50	1.51
PowerGen	7.41	7.21	7.26	7.27
Premier Farnell	5.62	5.44	5.47	5.60
Prudential	6.33	6.20	6.21	6.27
Railtrack Gp	8.06	7.91	7.96	8.05
Rank Group	3.42	3.38	3.38	3.48
Reckitt Colm	9.72	9.50	9.60	9.74
Redland	3.11	3.04	3.07	3.08
Reed Intl	5.85	5.65	5.66	5.83
Rentokil Initial	2.29	2.23	2.23	2.29
Reuters Hdgs	6.67	6.46	6.51	6.75
Rexam	2.88	2.81	2.82	2.88
RTZ reg	10.64	10.43	10.43	10.66
RMC Group	11.07	10.65	10.65	11.15
Rolls Royce	2.58	2.48	2.49	2.59
Royal Bk Scot	6.33	6	6.10	6.27
Royal & Sun All	5.50	5.32	5.36	5.50
Safeway	3.96	3.88	3.88	3.95
Sainsbury	4.56	4.48	4.51	4.54
Schroders	19.08	18.85	19.08	18.93
Scot Newcastle	7.58	7.44	7.46	7.49
Scot Power	4.48	4.34	4.34	4.45
Securicor	3.03	2.91	2.93	3
Severn Trent	8.47	8.38	8.40	8.40
Shell Transp R	4.52	4.37	4.37	4.50
Siebe	11.83	11.43	11.70	11.83
Smith Nephew	1.76	1.74	1.76	1.76
SmithKline	12.02	11.25	11.29	11.52
Smiths Ind	8.47	8.41	8.47	8.70
Sthern Elec	4.50	4.41	4.49	4.48
Stagecoach	6.78	6.70	6.71	6.70
Stand Charter	10.72	10.50	10.59	10.57
Tate & Lyle	4.17	4.09	4.10	4.17
Tesco	4.30	4.19	4.19	4.26
Thames Water	7.95	7.83	7.88	7.93
3i Group	4.94	4.86	4.87	4.98
TI Group	6.10	5.97	5.98	6.10
Tomkins	3.32	3.25	3.29	3.31
Unilever	19.10	18.70	18.82	19.19
Utd Assurance	4.72	4.65	4.65	4.71
Utd News	7.17	6.93	7.10	6.94
Utd Utilities	7.10	7.03	7.05	7.10
Vendome Lx uts	5.14	5.08	5.10	5.10
Vodafone	3.21	3.14	3.17	3.18
Whitbread	8.50	8.20	8.41	8.35
Williams Hdgs	3.55	3.50	3.53	3.53
Wolseley	4.97	4.84	4.88	5
WPP Group	2.82	2.73	2.74	2.81
Zeneca	19.44	18.75	18.84	19.47

Madrid
Bolsa index: 592.57 Previous: 597.99

	High	Low	Close	Prev.
Acerinox	27700	27010	27020	27700
ACESA	1810	1790	1805	1810
Aguas Barcelon	5800	5690	5760	5810
Argentaria	8000	7890	7960	8000
BBV	4225	4155	4190	4225
Banesto	1440	1420	1430	1435
Bankinter	7640	7530	7540	7630
Bco Centro Hisp	5890	5800	5820	5890
Bco Popular	34790	34160	34200	34840
Bco Santander	4310	4205	4205	4325
CEPSA	4795	4690	4750	4740
Continente	3400	3300	3340	3350
Corp Mapfre	8700	8500	8580	8700
Endesa	3270	3180	3220	3275
FECSA	1290	1255	1265	1290
Gas Natural	6700	6600	6620	6700
Iberdrola	1860	1830	1835	1855
Pryca	3330	2940	2970	3015
Repsol	6230	6140	6140	6260
Sevillana Elec	1425	1395	1410	1425
Tabacalera	7720	7640	7660	7750
Telefonica	4125	4065	4090	4150
Union Fenosa	1235	1220	1230	1240
Valenc Cement	2780	2750	2765	2775

Manila
PSE index: 2527.08 Previous: 2535.40

	High	Low	Close	Prev.
Ayala B	17.25	17	17	17.50
Ayala Land	20.25	19.75	19.75	19.50
Bk Philip Isl	146	144	145	147
C&P Homes	9.70	9.30	9.50	9.50
Manila Elec A	85.50	83.50	83.50	86
Metro Bank	515	500	510	515
Petron	5.90	5.70	5.70	5.80
PCIBank	216	210	210	210
Phil Long Dist	880	850	875	855
San Miguel B	57.50	56.50	57	57.50
SM Prime Hdg	7.80	7.40	7.50	7.70

Mexico
Bolsa index: 5018.70 Previous: 5002.88

	High	Low	Close	Prev.
Alfa A	66.50	65.40	65.90	65.00
Banacci B	23.95	23.30	23.30	22.75
Cemex CPO	42.00	41.40	41.55	41.30
Cifra C	14.10	13.90	14.00	13.98
Emp Modema	42.35	42.00	42.60	42.55
Gpo Carso A1	62.20	59.50	59.50	60.10
Gpo F Bcomer	3.62	3.54	3.54	3.50
Gpo Fin Inbursa	36.00	35.90	35.90	36.00
Kimb Clark Mex	37.20	36.45	36.45	36.35
Televisa CPO	136.80	133.80	133.80	134.10
TelMex L	20.60	20.15	20.15	20.25

Milan
MIB Telematico: 14398.00 Previous: 14600.00

	High	Low	Close	Prev.
Alleanza Assic	15290	14780	14890	15300
Bca Comm Ital	4485	4265	4465	4295
Bca Fideuram	5670	5495	5525	5580
Bca di Roma	1600	1550	1557	1590
Benetton	26900	26000	26300	26600
Credito Italiano	3545	3435	3540	3495
Edison	8490	8290	8300	8440
ENI	10580	10150	10170	10425
Fiat	5845	5700	5705	5845
Generali Assic	37100	36050	36450	36600
IMI	16950	16400	16400	16720
INA	2650	2600	2615	2650
Italgas	5425	5300	5315	5380
Mediaset	8090	7815	7880	8200
Mediobanca	11650	11260	11350	11465
Montedison	1141	1111	1115	1134
Olivetti	672	645	653	640
Parmalat	2630	2585	2590	2600
Pirelli	4870	4760	4780	4850
RAS	15050	14650	14795	14850
Rolo Banca	21700	20700	20800	21000
S Paolo Torino	13700	13025	13405	13440
Telecom Italia	11175	10915	10940	11105
TIM	6185	5975	6010	6100

Montreal
Industrials index: 3631.80 Previous: 3679.70

	High	Low	Close	Prev.
Bce Mob Com	51	50.10	50.10	50.30
Cdn Tire A	27.30	27.10	27.20	27¼
Cdn Util A	39¾	39.15	39¾	39.30
CT Finl Svc	43.80	43¾	43¾	44
Gaz Metro	18¼	18.45	18.45	18.45
Gt-West Lifeco	33¾	33	33	33.70
Imasco	41.45	40.85	41.10	41
Investors Grp	36.60	36½	36½	36¾
Loblaw Cos	20.65	20½	20½	20.10
Natl Bk Canada	17½	16¾	17.05	17
Power Corp	38.95	38.30	38½	38½
Power Finl	37.65	37¼	37¼	37.65
Quebecor B	27.40	27.30	27.30	27.35
Rogers Comm B	10½	10.45	10.45	10.80
Royal Bk Cda	64.55	63	63.35	64

Oslo
OBX index: 708.23 Previous: 720.11

	High	Low	Close	Prev.
Aker A	140	135	134	141
Bergesen Dy A	206	200	202	206
Christiania Bk	27	26.10	26.30	27
Den norske Bk	32	31	31.50	32.30
Elkem	154	148	149	154
Hafslund A	46	45	46	46.50
Kvaerner Asa	480	475	479	479
Norsk Hydro	418	411	411	416
Norske Skog A	298	269	295	296
Nycomed A	162.50	157	159.50	163.50
Orkla Asa A	558	550	555	559
Petm GeoSvc	431	418	425	427
Saga Petm A	157	152	152	158
Schibsted	133	130	131	132
Transocean Off	620	620	620	610
Storebrand Asa	51	49.50	49.80	50

Paris
CAC-40: 2924.84 Previous: 2998.57

	High	Low	Close	Prev.
Accor	986	967	971	988
AGF	224	215.70	217	216.50
Air Liquide	948	933	936	957
Alcatel Alsth	830	818	818	841
Axa-UAP	416.40	409	411.50	417.90
Bancaire	746	732	740	748
BIC	500	481	486	503
BNP	281.70	272.70	279.50	283.50
Canal Plus	1105	1081	1093	1118
Carrefour	3997	3916	3916	4000
Casino	284	279.40	280	280.50
CCF	330	317.10	326	334.60
Cetelem	679	667	670	674
Christian Dior	968	946	948	968
CLF-Dexia Fran	574	551	560	563
Credit Agricole	1265.10	1265	1265.10	1265.10
Danone	949	925	932	952
Elf-Aquitaine	677	653	658	680
Eridania BS	855	820	821	829
Eurodisney	8.80	8.50	8.50	8.85
Eurotunnel	7.10	6.95	7.10	7.15
Gen. Eaux	734	712	722	740
Havas	397.90	385.60	386.20	397.30
Imetal	868	854	862	842
Lafarge	433.90	424.60	424.60	437.40
Legrand	1180	1138	1151	1173
L'Oreal	2409	2330	2334	2402
LVMH	1508	1455	1460	1523
Michelin B	371	358.30	364	372.20
Paribas A	454.80	446	448.50	456.50
Pernod Ricard	313	305.10	305.20	314
Peugeot Cit	737	715	719	739
Pinault-Print	2750	2640	2699	2694
Promodes	2244	2181	2192	2255
Renault	170	161.10	164.40	168
Rexel	1625	1581	1625	1620
Rh-Poulenc A	246.70	239.20	240.20	251.20
Sanofi	638	600	603	628
Schneider	344	335.20	338	347
SEB	1009	991	992	1009
SGS Thomson	562	547	555	569
Ste Generale	815	796	802	819
Sodexho	2929	2875	2900	2939
St Gobain	913	887	892	918
Suez (Cie)	15.35	15.25	15.25	15.65
Suez Lyon Eaux	644	620	627	644
Synthelabo	726	711	718	720
Thomson CSF	156.40	150.20	151	155.20
Total B	604	582	586	600
Usinor	113.30	108.10	111.40	114.40
Valeo	373.10	363	365.30	375.30

São Paulo
Bovespa index: 11903.40 Previous: 11809.60

	High	Low	Close	Prev.
Bradesco Pfd	11.40	11.20	11.30	11.35
Brahma Pfd	815.00	814.50	814.99	810.00
Cemig Pfd	56.80	55.50	55.52	55.50
CESP Pfd	82.00	79.99	81.00	78.99
Copel	17.20	17.00	17.00	17.20
Eletrobras	550.00	520.00	539.00	539.00
Itaubanco Pfd	660.00	650.00	650.00	655.00
Light Servicios	522.00	520.00	522.00	515.00
Lightpar	465.03	464.01	464.01	469.00
Petrobras Pfd	310.00	305.00	308.00	304.00
Paulista Luz	209.00	205.01	207.00	209.00
Sid Nacional	36.50	36.20	36.50	36.20
Souza Cruz	11.01	10.99	11.00	10.99
Telebras Pfd	148.00	142.00	145.80	143.80
Telemig	193.50	191.00	192.00	194.00
Telerj	160.050	157.990	160.00	160.00
Telesp Pfd	348.00	338.00	341.980	340.01
Unibanco	39.49	39.49	39.490	39.50
Usiminas Pfd	11.61	11.30	11.30	11.50
CVRD Pfd	28.15	27.70	27.95	27.91

Seoul
Composite index: 762.72 Previous: 762.92

	High	Low	Close	Prev.
Dacom	100000	96000	97500	99000
Daewoo Heavy	8390	8130	8130	8350
Hyundai Eng.	22000	21500	21500	21700
Kia Motors	13900	13500	13500	13500
Korea El Pwr	26900	26300	26800	26500
Korea Exch Bk	5710	5570	5610	5680
LG Semicon	48500	47300	48100	47600
Pohang Iron St	62900	61400	61900	61400
Samsung Display	49200	48200	48800	48400
Samsung Elec	75500	72700	74700	72500
Shinhan Bank	9700	9510	9510	9650
SK Telecom	504000	499000	503000	495000

Singapore
Straits Times: 1875.39 Previous: 1893.46

	High	Low	Close	Prev.
Asia Pac Brew	5.50	5.40	5.40	5.45
Cerebos Pac	5.20	5.10	5.10	5.10
City Devlts	11.80	11.40	11.50	11.70
Cycle Carriage	11.60	11.50	11.60	11.50
Dairy Farm Intl*	0.92	0.90	0.92	0.90
DBS foreign	17.60	17.40	17.40	17.40
DBS Land	4.52	4.40	4.42	4.52
Fraser & Neave	9.60	8.90	8.90	9.55
HK Land*	3.26	3.18	3.26	3.22
Jard Matheson*	7.90	7.70	7.85	8
Jard Strategic*	4.08	4	4.08	4.08
Keppel A	5.95	5.65	5.75	5.90
Keppel Bank	3.70	3.66	3.70	3.70
Keppel Fels	4.60	4.50	4.52	4.56
Keppel Land	4.14	4.08	4.12	4.12
OCBC foreign	13.90	13.60	13.60	13.90
OS Union Bk F	8.60	8.45	8.55	8.60
Parkway Hdgs	6.45	6.30	6.45	6.25
Sembawang	6.55	6.35	6.35	6.55
Sing Air foreign	12.80	12.30	12.40	12.10
Sing Land	7.20	7.05	7.10	7.15
Sing Press F	26.90	26	26.40	26.50
Sing Tech Ind	3.72	3.68	3.70	3.72
Sing Telecomm	2.54	2.49	2.50	2.54
Tat Lee Bank	2.76	2.73	2.74	2.76
Utd Industrial	1.08	1.07	1.07	1.08
Utd O'Sea Bk F	14	13.70	13.70	13.90
Wing Tai Hdgs	3.80	3.76	3.80	3.80

*: in U.S. dollars.

Stockholm
SX 16 index: 3528.44 Previous: 3623.59

	High	Low	Close	Prev.
AGA B	110.50	109.50	109.50	110.50
ABB A	120	116.50	117.50	119
AssiDoman	249	239	244.50	240
Astra A	140	134.50	134.50	142
Atlas Copco A	261.50	248	255	253
Autoliv	293	285	285.50	289.50
Electrolux B	625	603	613	609
Ericsson B	366	355.50	356	364
Hennes B	326.50	317.50	318	327
Incentive A	765	745	763	735
Investor B	427	415	417	421
MoDo B	303	294	297	297.50
Nordbanken	280	270	270	284
Pharm/Upjohn	289.50	275	277	289
Sandvik B	258	250	253	261
Scania B	218	212	214.50	215
SCA B	198	192	192.50	196
S-E Banken A	95	89	90	96
Skandia Fors	345	333	333	347
Skanska B	339	335	335	340.50
SKF B	229	220	222	223
Sparbanken A	191	185	187	192
Stora A	145	141	141	143.50
Sv Handles A	267	262.50	264.50	268.50
Volvo B	232	226	228	230

Sydney
All Ordinaries: 2623.40 Previous: 2650.50

	High	Low	Close	Prev.
Amcor	8.26	8.18	8.24	8.30
ANZ Bking	10.03	9.70	10	9.96
BHP	17.16	16.78	17.13	17.02
Boral	3.86	3.78	3.84	3.89
Brambles Ind.	27	26.39	26.71	27.30
CBA	16.40	16.02	16.28	16.37
CC Amatil	15.30	14.80	14.85	15.40
Coles Myer	6.41	6.28	6.40	6.46
Comalco	6.75	6.45	6.52	6.77
CSR	5	4.90	4.96	5.02
Fosters Brew	2.59	2.56	2.57	2.59
Goodman Fld	2	1.96	1.97	2
ICI Australia	12.89	12.76	12.84	13.03
Lend Lease	28.81	28.50	28.76	29.02
MIM Hdgs	1.75	1.71	1.72	1.77
Nat Aust Bank	18.88	18.68	18.85	19.10
Nat Mutual Hdg	2.09	2.06	2.08	2.10
News Corp	5.90	5.82	5.85	5.88
Pacific Dunlop	3.57	3.53	3.57	3.60
Pioneer Intl	4.77	4.64	4.74	4.75
Pub Broadcast	8.03	7.84	7.90	8.06
Rio Tinto	21.20	21	21.17	21.30
St George Bank	8.49	8.30	8.38	8.54
WMC	7.48	7.29	7.41	7.42
Westpac Bking	8.30	8.14	8.19	8.33
Woodside Pet	11	10.85	11	11.08
Woolworths	4.25	4.12	4.16	4.30

Taipei
Stock Market index: 9556.12 Previous: 9807.74

	High	Low	Close	Prev.
Cathay Life Ins	151	147	147	150
Chang Hwa Bk	118	115	115	117
Chiao Tung Bk	74	72	72	73
China Developmt	123.50	120	120	121
China Steel	32.10	31.10	31.10	31.80
First Bank	118.50	115	115.50	118
Formosa Plastic	64.50	62	62	64
Hua Nan Bk	124.50	118	119.50	123
Intl Comm Bk	58	56	56	57.50
Nan Ya Plastics	74	72	72.50	73.50
Shin Kong Life	104.50	98	98	103.50
Taiwan Semi	154	142.50	142.50	153
Tatung	47.80	46.50	46.60	47.60
Utd Micro Elec	129.50	119	120	127.50
Utd World Chin	65.50	63.50	63.50	64.50

Tokyo
Nikkei 225: 19808.60 Previous: 19099.11

	High	Low	Close	Prev.
Ajinomoto	1080	1030	1070	1070
All Nippon Air	699	690	690	700
Amway	3480	3420	3470	3400
Asahi Bank	866	859	862	865
Asahi Chem	627	600	621	620
Asahi Glass	1040	1010	1010	1050
Bk Tokyo Mitsu	2270	2210	2270	2220
Bk Yokohama	531	516	527	543
Bridgestone	2760	2690	2730	2720
Canon	3600	3490	3550	3520
Chubu Elec	2040	2020	2040	2030
Chugoku Elec	1960	1930	1950	1950
Dai Nipp Print	2750	2720	2730	2750
Daiei	870	846	860	859
Dai-Ichi Kang	1470	1440	1450	1480
Daiwa Bank	590	565	584	580
Daiwa House	1340	1330	1330	1330
Daiwa Sec	771	752	760	776
DDI	7100a	6870a	7050a	6830a
Denso	2790	2650	2750	2720
East Japan Ry	5390a	5350a	5350a	5440a
Eisai	2520	2470	2480	2430
Fanuc	5050	4860	4970	4860
Fuji Bank	1550	1500	1520	1520
Fuji Photo	4720	4650	4670	4700
Fujitsu	1660	1610	1650	1610
Hachijuni Bk	1130	1110	1120	1120
Hitachi	1290	1250	1260	1280
Honda Motor	3680	3580	3650	3600
IBJ	1740	1690	1740	1720
IHI	378	360	365	376
Itochu	519	510	513	514
Ito-Yokado	6710	6620	6620	6710
JAL	480	460	472	475
Japan Tobacco	9420a	9350a	9370a	9420a
Jusco	3400	3350	3350	3400
Kajima	590	560	583	570
Kansai Elec	2200	2180	2190	2200
Kao	1760	1720	1740	1730
Kawasaki Hvy	473	466	467	477
Kawa Steel	306	300	305	304
Kinki Nipp Ry	679	674	678	679
Kirin Brewery	1010	980	999	1020
Kobe Steel	175	170	175	172
Komatsu	804	783	786	819
Kubota	486	474	476	486
Kyocera	9100	8940	9070	9000
Kyushu Elec	1970	1960	1970	1960
LTCB	554	541	550	550
Marubeni	444	427	438	438
Marui	1920	1840	1860	1920
Matsu Comm	4600	4520	4600	4630
Matsu Elec Ind	2390	2360	2380	2380
Matsu Elec Wk	1360	1340	1340	1340
Mitsubishi	1320	1290	1300	1320
Mitsubishi Ch	300	290	296	294
Mitsubishi El	596	583	593	590
Mitsubishi Est	1700	1640	1690	1650
Mitsubishi Hvy	815	798	812	816
Mitsubishi Mat	665	643	657	643
Mitsubishi Tr	1730	1690	1720	1720
Mitsui	1080	1060	1070	1070
Mitsui Fudosn	1510	1440	1490	1450
Mitsui Trust	730	675	725	688
Murata Mfg	5700	5520	5700	5490
NEC	1590	1540	1590	1560
Nikon	2360	2210	2320	2260
Nikko Sec	628	602	628	625
Nintendo	10800	10600	10800	10900
Nipp Express	762	751	752	771
Nippon Oil	526	512	525	512
Nippon Steel	312	305	312	306
Nissan Motor	766	745	757	750
NKK	198	194	196	193
Nomura Sec	1720	1660	1670	1700
NTT	1200b	1170b	1200b	1190b
NTT Data	5270b	5100b	5270b	5050b
Oji Paper	590	581	585	593
Osaka Gas	271	268	271	270
Ricoh	1800	1770	1780	1790
Rohm	14000	14000	14000	13900
Sakura Bk	720	703	715	700
Sankyo	4220	4060	4130	4240
Sanwa Bank	1620	1600	1620	1620
Sanyo Elec	440	417	436	419
Secom	8650	8460	8640	8500
Seibu Rwy	5380	5300	5300	5430
Sekisui Chem	966	951	962	973
Sekisui House	1170	1140	1160	1170
Seven-Eleven	9030	8970	8990	8990
Sharp	1340	1320	1330	1340
Shikoku El Pwr	1940	1930	1940	1930
Shimizu	605	577	601	588
Shin-etsu Ch	3370	3220	3320	3240
Shiseido	2070	2030	2050	2080
Shizuoka Bk	1240	1200	1220	1250
Softbank	6010	5800	5900	6020
Sony	11600	11300	11400	11600
Sumitomo	1030	1000	1010	1020
Sumitomo Bk	1900	1860	1890	1870
Sumit Chem	448	420	442	422
Sumitomo Elec	1940	1920	1930	1940
Sumit Metal	276	270	274	273
Sumit Trust	1190	1140	1180	1150
Taisho Pharm	3110	3000	3050	3030
Takeda Chem	3620	3570	3610	3590
TDK	9840	9540	9720	9660
Tohoku El Pwr	1970	1940	1960	1970
Tokai Bank	1040	1020	1040	1040
Tokio Marine	1540	1490	1530	1500
Tokyo El Pwr	2240	2220	2220	2240
Tokyo Electron	7320	7110	7320	7190
Tokyo Gas	287	281	285	288
Tokyu Corp.	617	606	610	623
Tonen	1170	1120	1130	1140
Toppan Print	1820	1790	1800	1810
Toray Ind	787	774	782	788
Toshiba	718	710	717	715
Tostem	2400	2330	2370	2430
Toyo Trust	958	930	952	945
Toyota Motor	3140	3090	3100	3120
Yamanouchi	2940	2890	2920	2940

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6776.95 Previous: 6888.50

	High	Low	Close	Prev.
Abitibi Cons.	25.65	25.15	25.35	25.55
Alberta Energy	32.40	32	32¼	32.55
Alcan Alum	52.70	51.30	51.95	52½
Anderson Expl	18½	17.80	17.85	18.35
Bk Montreal	57.85	56.05	56½	57.20
Bk Nova Scotia	65.40	63.05	63.90	64.45
Barrick Gold	33.15	32½	33.10	32.80
BCE	41.05	38.70	39¾	40.40
BC Telecomm	34.90	34.70	34.70	34.90
Biochem Pharm	36	36	36	37.45
Bombardier B	33	32.65	32.65	32.80
Cameco	54½	53¾	54.40	53¾
CIBC	39.15	37.40	37.80	38.20
Cdn Natl Rail	69½	69.10	69.20	69.40
Cdn Nat Res	37.40	37.20	37¼	37.35
Cdn Occid Pet	36.10	34.40	35.10	36.20
Cdn Pacific	42.20	41.10	41¾	41
Cominco	38	37½	37.70	37¾
Dofasco	29.95	29½	29.65	29.60
Domtar	11.90	11¾	11¾	11.85
Donohue A	34.15	34	34.10	34
Du Pont Cda A	32½	32¼	32.45	32½
EuroNev Mng	23¼	22	23	22.20
Fairfax Finl	378	375½	378	380
Falconbridge	27.90	27.55	27¾	27.70
Fletcher Chall A	24¼	24.10	24.20	24.15
Franco Nevada	34.60	33¾	34	32.20
Gulf Cda Res	10.15	10.05	10.10	10.10
Imperial Oil	75.30	74.65	74.65	75
Inco	41	40.20	40¼	40.85
IPL Energy	51.40	51	51.15	51
Laidlaw B	21½	20¾	20.90	21½
Loewen Group	45¼	43.60	44.15	45.20
Macmill Bldl	19.05	18¾	18¾	19
Magna Intl A	89½	87.55	87.90	88
Methanex	12½	12.30	12.35	12.55
Moore	29.85	28¾	28.80	29.60
Newbridge Net	63.05	60.35	61.45	62.30
Noranda Inc	29.90	29½	29½	29.80
Norcen Energy	33.90	33.55	33.80	33.65
Nthern Telecom	143	138½	139.30	142.55
Nova	11.90	11.60	11.70	11.80
Onex	32.45	32	32.30	32½
Pancdn Petlm	26¾	26½	26.70	26½
Petro Cda	26.65	25½	26.35	26.40
Placer Dome	25.15	24.40	25.10	24.80
Poco Petlm	14	13¾	13.80	13¾
Potash Sask	105½	104.30	105½	104.60
Renaissance	35½	34.10	34.80	35.60
Rio Algom	35	34¾	34¾	34.95
Rogers Cantel B	29	28½	28½	28.80
Seagram Co	49.20	46.45	48½	49
Shell Cda A	23½	22.85	22.90	23.65
Suncor	44½	43¾	43¾	43¾
Talisman Eny	44.55	42	43.65	44.35
Teck B	28¼	27.85	28.20	28
Teleglobe	50	49¾	50	50.40
Telus	26.80	26½	26.55	26.55
Thomson	34.10	33.55	33.55	33.80
TorDom Bank	43¼	40.90	41½	41.80
Transalta	17.45	17	17.15	17.30
TransCda Pipe	27½	27.15	27.20	27¼
Trimark Finl	69	64½	65½	68½
Trizec Hahn	32½	32.30	32.30	32.40
TVX Gold	7.30	6.70	7¼	6.80
Westcoast Eny	27.05	26.86	26.90	27
Weston	100	96	96	99

Vienna
ATX index: 1408.14 Previous: 1430.39

	High	Low	Close	Prev.
Boehler-Uddeh	1021.05	996.90	1012.90	1021.40
Creditanst Pfd	589.50	575	588	588
EA-Generali	3217	3125.50	3140	3209
EVN	1609	1590	1605.80	1613
Flughafen Wien	525	513	521	527
OMV	1805	1590	1765.65	1798
Oest Elektriz	877	870.15	877	874.50
VA Stahl	577.70	548.05	560	581
VA Tech	2510	2438	2473.30	2520
Wienerberg Bau	2687	2577	2656	2687

Wellington
NZSE-40 index: 2450.92 Previous: 2499.88

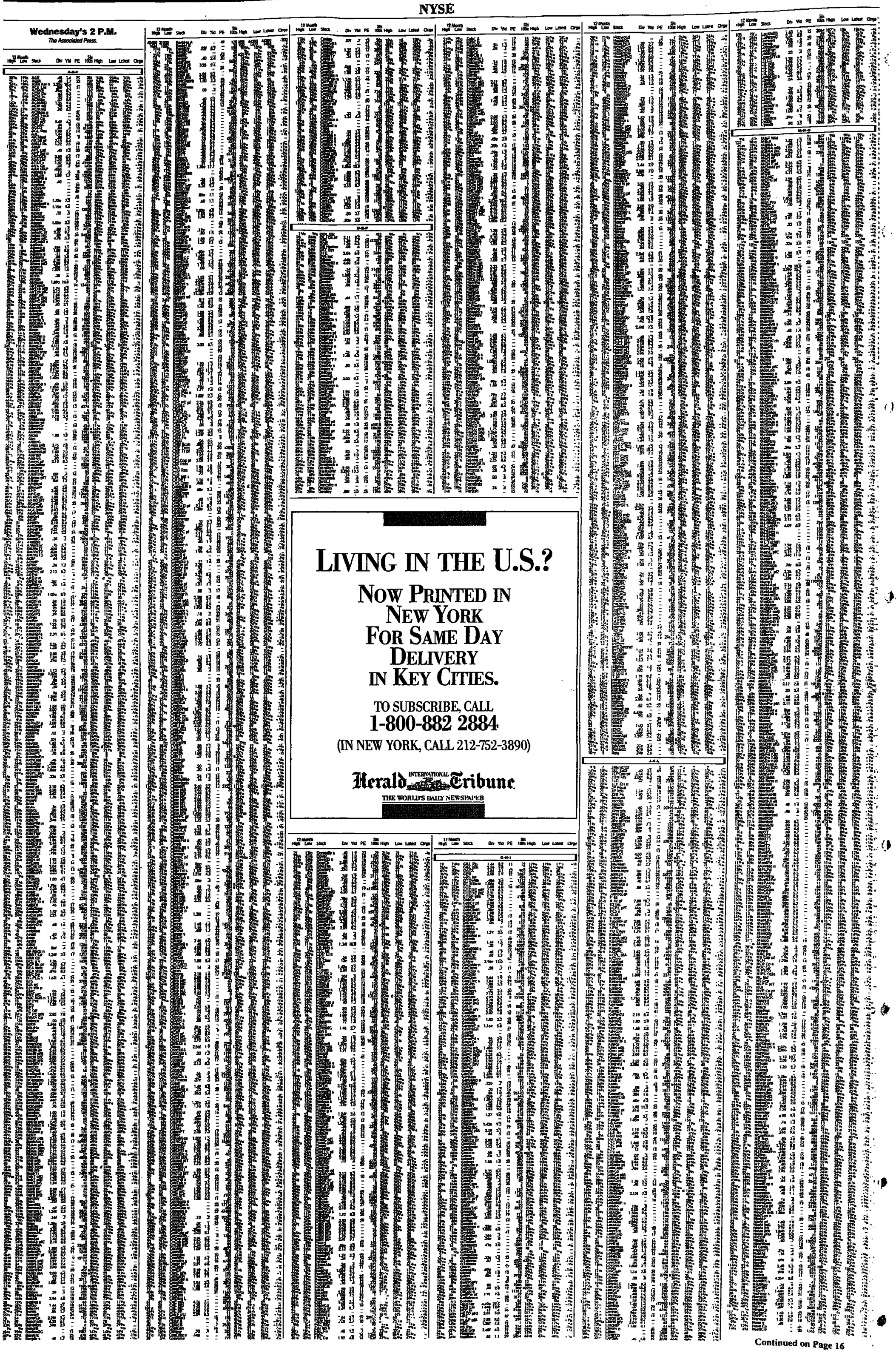
	High	Low	Close	Prev.
Air N Zeald B	4.60	4.55	4.55	4.63
Brierly Invt	1.37	1.35	1.35	1.37
Carter Holt ord	3.45	3.33	3.35	3.48
Fletch Ch Bldg	4.23	4.20	4.21	4.30
Fletch Ch Eny	5.45	5.30	5.32	5.50
Fletch Ch Forst	1.95	1.91	1.91	1.96
Fletch Ch Paper	3.30	3.25	3.26	3.35
Lion Nathan	3.93	3.90	3.92	3.94
Telecom NZ	7.45	7.38	7.38	7.54
Wilson Horton	11.95	11.95	11.95	11.95

Zurich
SPI index: 3640.95 Previous: 3713.35

	High	Low	Close	Prev.
ABB B	2340	2276	2287	2320
Adecco B	557	545	550	548
Alusuisse R	1431	1400	1400	1438
Ares-Serono B	2700	2590	2695	2680
Alei R	851	851	851	870
Baer Hdg B	2310	2261	2270	2300
Baloise Hdg R	4015	3905	3990	4050
BK Vision	1220	1198	1198	1233
Ciba Spec Chem	137	134	134	137.75
Clariant R	1066	1051	1052	1065
Crd Suisse Gp R	200.75	188	190.25	203.50
Elektrowatt B	538	537	537	538
Ems-Chemie	6845	6665	6800	6770
ESEC Hdg	4780	4600	4780	4800
Holderbank B	1325	1272	1273	1325
Liechtenst LB B	597	595	595	597
Nestle R	1923	1896	1908	1926
Novartis R	2318	2266	2279	2315
Oerlikn Bueh R	161.50	155	158	161.50
Pargesa Hld B	1950	1925	1925	1950
Pharm Visn B	965	947	950	974
Richemont A	2220	2100	2100	2220
Pirelli PC	340	337.50	340	343
Roche Hdg PC	14100	13860	13770	14140
SBC R	426	409.50	415	417
Schindler PC	1998	1896	1930	1910
SGS B	3060	3020	3020	3070
SMH B	902	890	898	901
Sulzer R	1237	1186	1200	1207
Swiss Reins R	2226	2171	2190	2235
Swissair R	1984	1946	1946	1994
UBS B	1624	1588	1595	1630
Winterthur R	1477	1375	1416	1504
Zurich Assur R	618	598	601	620

NYSE

Wednesday's 2 P.M.
The Associated Press.



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Continued on Page 16

Tokyo and Seoul Companies Get Help With Debt

$1 Billion for Korean Banks

Compiled by Our Staff From Dispatches

SEOUL — The central bank made $1 billion in emergency loans Wednesday to seven South Korean commercial banks that have had trouble raising money internationally because of bad debts they hold.

The step was taken as the Ministry of Finance and Economy said it was considering steps to strengthen the financial structure of banks saddled with bad loans.

"The government has been considering steps intended to improve the basic financial structure of the banks," Chung Eui Dong, the ministry's chief spokesman, said.

He said the move had been made in light of moves by international credit-rating companies to downgrade some local banks that had made it difficult or nearly impossible for them to secure long-term loans overseas.

Government assistance to the banking sector might carry negative consequences for South Korea, which has been trying to be viewed as a developed country. It joined the Organization for Economic Development and Cooperation in December, a grouping of the world's 29 richest nations.

A central bank spokesman said the loans would be for one month at a rate of 0.25 percentage point above the London interbank offered rate, which currently is about 5.53 percent for dollars. The banks are Cho Hung Bank, Commercial Bank of Korea, Korea First Bank, Hanil Bank, Seoul Bank, Korea Exchange Bank and Shinhan Bank.

Steps being considered in addition to the preferential loans are "permits for rights issues and an easing of rules on loan-loss reserve requirements," Mr. Chung said.

Mr. Chung said the government would make a final decision on the measures by early October.

The banks, especially Korea First Bank, have been increasingly strained since Hanbo Group went bankrupt in January and a series of crises erupted at other major conglomerates, most recently at Kia Group in early July.

Korea First's long-term rating was recently cut to BBB-minus — one notch above junk-bond status — from BBB-plus by Standard & Poor's Corp., which, along with Moody's Investors Service Inc., has several of the banks under review for further downgrades.

Moon Hung Hoo, a treasury official at Korea Exchange Bank, said South Korean banks were unable to sell bonds with maturities of more than a year because the country's financial problems had left investors unwilling to shoulder a longer-term risk.

"After Kia, investor interest is still dormant," he said.

(Bridge News, AFP, Bloomberg)

Mitsui Construction to Get Bailout

Compiled by Our Staff From Dispatches

TOKYO — Mitsui Construction Co. arranged a bailout from other units of the Mitsui *keiretsu*, at least temporarily brightening the outlook for the Japanese building industry.

Sakura Bank Ltd., Mitsui Trust Banking Co., Mitsui Life Insurance Co. and Mitsui Marine Fire Insurance Co. will provide an unspecified amount of aid to the builder, spokesmen said, and further cooperation in the form of increased orders is expected from the Mitsui Fudosan Co. real-estate unit that is the biggest shareholder in Mitsui Construction, with a 15.6 percent stake.

Mitsui Construction will attempt to cut its debt by 74 billion yen ($638.5 million) over three years. The company currently owes about 289 billion yen in debt and is liable for an additional 204 billion yen in loan guarantees to developers.

Over the next three years, the builder plans to shed 400 of the 4,400 employees it had in March. It also said it would slim down unprofitable operations and sell assets owned by the company and its affiliates. By taking the steps, it hopes to post a parent-company current profit of 10 billion yen for the year ending March 31, 2000.

Japan's construction industry is suffering from huge bad-debt problems, a legacy of the financial bubble of the 1980s. Private-sector orders for construction work by the 50 largest builders peaked at 20 trillion yen a year in the early 1990s but fell to 11 trillion yen last year. Mitsui's obligations total about 90 times its expected pretax profit of 5.5 billion yen for the year through March 1998. "We overdid it," said Takesato Sano, a spokesman for the company.

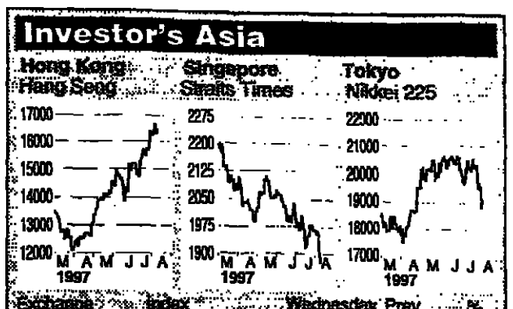
Stock-market investors, troubled by the failure of two large builders last month and worried that more could follow, welcomed the news with purchases of shares in the construction sector.

The buying also helped Tokyo's benchmark Nikkei 225 index recoup most of the losses it suffered earlier Wednesday. It closed down 0.47 percent at 19,008.60.

"The news visibly galvanized sentiment toward the construction sector, and short-covering emerged immediately, reversing the weak tone seen in early trading," a broker said. "Buying here then spilled over to other financial-sector issues such as banks and property developers, sending the broader market into positive territory temporarily."

But this short-covering, or buying of shares to cover previous sales of borrowed stock, will run out of steam unless bold measures to revive the property market are implemented, a broker said. *(Reuters, Bloomberg, AFP, AFX, Bridge News)*

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	16,462.93	16,383.41	+0.51
Singapore	Straits Times	1,875.38	1,893.48	-0.95
Sydney	All Ordinaries	2,623.60	2,650.50	-1.01
Tokyo	Nikkei 225	19,008.60	19,099.11	-0.47
Kuala Lumpur	Composite	908.83	897.25	+1.29
Bangkok	SET	632.73	632.25	+0.08
Seoul	Composite Index	762.73	762.92	-0.02
Taipei	Stock Market Index	9,556.12	9,807.74	-2.57
Manila	PSE	2,527.88	2,585.49	-0.33
Jakarta	Composite Index	658.60	662.95	-0.66
Wellington	NZSE-40	2,456.92	2,489.60	-1.96
Bombay	Sensitive Index	4,370.13	4,425.03	-1.24

Source: Telekurs International Herald Tribune

Very briefly:

- **Kia Motors Corp.** said its new passenger car, the Sephia II, had record one-day sales of 11,586 units in its showroom debut Tuesday.
- **China's** State Statistics Bureau said retail prices in 36 major cities rose 0.6 percent in July from a year earlier. The consumer price index, which includes utilities and services, was up 2.7 percent in the 12 months.
- **Chinese** officials sharply raised their forecasts for the booming mobile-phone market, saying the country should have more than 30 million users by 2000.
- **China's** actual foreign investment rose 8.9 percent from a year earlier, to $24.3 billion, in the first seven months of 1997; the rate of expansion was down from the 1996 full-year growth of 12.2 percent.
- **Infrastructure Trust of Australia Ltd.**, which buys stakes in highways, utilities and telecommunications, reported net profit after six months' trading of 27.9 million Australian dollars ($21 million), nearly double what it forecast in its prospectus.
- **Commonwealth Bank of Australia** announced after-tax profit for the year ended June 30 of 1.08 billion dollars, down 4 percent from the like period in 1996.
- **Carter Holt Harvey Ltd.** predicted its profit in the rest of 1997 would improve from its first-quarter earnings of 49 million New Zealand dollars ($31 million).
- **Indonesia**, which exported $66.2 million of gray unbleached cotton fabric to the European Union in 1996, protested the European Commission's reopening of a dumping case involving trade in the fabric.
- **Shangri-La Asia Ltd.**, the luxury-hotel operator controlled by the Malaysian businessman Robert Kuok, sold 1.2 billion Hong Kong dollars ($155.2 million) of new shares to finance its purchase of a hotel-management company from its unlisted parent.
- **Henderson Land Development Ltd.** denied it planned to buy a controlling interest in the Jardine group; Li Ka-shing, its owner, has built up about a 3 percent stake in two Jardine companies.

Bridge News, AFP, Bloomberg, AP

Singapore CD Firm Accused of Piracy

Compiled by Our Staff From Dispatches

SINGAPORE — A computer piracy watchdog organization accused a top Singapore compact disk maker on Wednesday of being a major player in the Southeast Asian illegal software business.

The company, SM Summit Holdings Ltd., denied the charge brought by the Business Software Alliance on behalf of Microsoft Corp., Adobe Systems Inc. and Autodesk Inc. that a unit of SM Summit may have been making counterfeit software.

The three U.S. companies have filed a civil lawsuit against SM Summit, acting through the Business Software Alliance, a group of software companies that fights intellectual property violations.

Microsoft said Singapore police raided the SM Summit unit after a former employee tipped off the alliance. The software group offers a 20,000 Singapore dollar ($13,300) reward to any informant who provides details that lead to convictions in software-violation suits.

SM Summit said it was "irreparably damaged" by Wednesday's accusation, adding that a statement from the Business Software Alliance "convicts" it without evidence.

K.K. Teo, director of Summit, said he was prepared to go to court to challenge the charges and was consulting lawyers.

A Summit lawyer said the company went to court on Wednesday to seek clarification on the search warrant granted to the alliance that allowed the raid by detectives and experts from the alliance and the three American companies.

He said Summit believed there was some irregularity in how the search warrant was obtained, but he declined to comment further. *(Reuters, Bloomberg)*

Reuters/Reuters

An agent examining disks from the Singapore raid.

China Expands Study Of Zinc-Market Losses

Compiled by Our Staff From Dispatches

BEIJING — China's State Council, the country's cabinet, is extending its investigation into potentially huge losses by Chinese companies trading zinc on the London Metal Exchange.

Smelters under the control of China National Nonferrous Metals Industry Corp. may also reduce hedging activity on the London Metal Exchange after an order to tighten control over their futures trading divisions, industry sources in China said.

The company's move was aimed at stopping smelters from running losses because they had too many short positions to hedge their metals production, the sources said.

Last month, a Chinese government publication said several zinc producers, including the second-largest, Zhuzhou Zinc Smelter, faced "great losses" after betting this year that zinc prices would fall. Instead, prices soared to seven-year highs. Wang Chenyin, director for planning at China's biggest zinc smelter, Huludao Zinc Industry Co., said Zhuzhou may have sold short as much as 400,000 tons of the metal it did not own, a move that is based on an expectation that prices will fall.

He alleged that foreign companies were supporting market prices to "squeeze China."

Executives of top zinc producers declined to comment on the extent of Zhuzhou's losses or the progress of the investigation, but analysts estimated a potential loss of as much as $200 million. *(Bloomberg, Bridge News)*

Canberra Cheers Growth Go-Ahead

Compiled by Our Staff From Dispatches

SYDNEY — Prime Minister John Howard enthusiastically endorsed advice Wednesday from the central bank that said Australia could safely accelerate its growth rate to reduce chronic unemployment.

The governor of the Reserve Bank of Australia, Ian Macfarlane, said late Tuesday that Australia could safely exceed a growth rate of 4.5 percent a year without breaching the central bank's inflation target of 2 percent to 3 percent.

But Mr. Macfarlane warned that while increased growth would lead to a substantial reduction in the unemployment rate, it also meant that employees would have to accept more work flexibility and less leisure.

Mr. Macfarlane also raised the prospect of another cut in interest rates — the sixth in a year — by saying that a sustained low rate of inflation would allow the Reserve Bank to run a more lenient monetary policy.

"I'm very encouraged by the remarks of the Reserve Bank governor for their significance in relation to unemployment," Mr. Howard said. "I said some time ago that we needed to get the economy running at over 4 percent to start getting unemployment down."

The government is responsible for increasing growth, Mr. Macfarlane said, not the central bank.

"Whatever our growth potential is, monetary policy will have little to do with it, compared with other factors," he told the Australian Institute of Company Directors. That may include reforming the tax system, fostering competition and encouraging businesses to take on staff.

Economists have advised the government that the economy must grow at more than 4 percent to significantly reduce unemployment, which has hovered around 8.5 percent for most of the past year. But fears of inflation have led to limits on the growth rate in recent years. The government forecast growth of 3.75 percent for the year ending next June, a slight increase on the average for the past six years of around 3.5 percent.

Mr. Howard spoke after a two-day cabinet meeting on possible remedies for unemployment.

"The outlook for growth is very strong," he said. "Some of it has arrived, there's no question of waiting for it. We have very strong business investment, we have an enormous potential and actual business investment being undertaken in the mining sector."

Separately, Mr. Howard promised a complete overhaul of Australia's tax system after being warned of a looming tax revolt by the states. He said a special meeting of state premiers would discuss federal-state financial relations and tax reform. *(AFP, Bloomberg, Reuters)*

CD-ROMs Lift LG Electronics

Compiled by Our Staff From Dispatches

SEOUL — LG Electronics Co., South Korea's largest home-appliance maker, said Wednesday that first-half net profit rose almost 40 percent, to 109.6 billion won ($122 million) — topping its own forecasts — because of rising sales of CD-ROM drives and cost cuts.

Sales rose almost 20 percent from the first half of 1996, to 4.4 trillion won, driven by a 24 percent increase in exports to Asian countries, according to Kim Sung Hyun of LG's investor relations department.

The stronger result in the first half of the year also reflected brisk sales in home appliances including air conditioners and video cassette recorders, a spokesman said.

"The better-than-expected performance was also attributed to the restructuring of production lines, which led to a considerable cut in operating costs," Lee Jung Kyu, an LG spokesman, said.

Total sales of CD-ROM drives surged 164 percent in the period, shifting the sector's chronic loss to a profit this year.

LG said its 1997 sales would exceed its forecast of 9 trillion won.

Separately, Daewoo Electronics Co. said its first-half net profit fell because of a greater-than-expected foreign-exchange loss.

Profit in the first six months, Daewoo executives said, slipped 7 percent to 23.5 billion won because of a foreign-exchange loss of 39.1 billion won.

"Earnings were a little below expectations, but they will significantly improve in the latter half, backed by stabilized currency and booming overseas sales," Park Sung Il, a deputy general manager at Daewoo Electronics, said.

Sales totaled 1.789 trillion won, up 9.1 percent from a year earlier. Exports jumped 14.9 percent, while domestic sales dropped 9.1 percent. Exports account for 74 percent of the company's total sales. *(Bloomberg, AFP)*

■ POSCO's Bid Stands

Pohang Iron & Steel Co., the world's second-largest steel producer, said it would not raise its 2 trillion-won offer to buy the bankrupt Hanbo Steel Co., Bloomberg News reported.

POSCO, as it is known, said it would "become insolvent" if it bowed to demands from Hanbo's creditor banks to commit as much as 4 trillion won for an uncompleted steel plant that would need a further 2 trillion won to complete construction.

The announcement came one day after the failure of a third and final attempt to sell Hanbo at public auction. Korea First Bank, Hanbo's prime creditor, said Tuesday that the company would be sold through private negotiations.

POSCO said its credit rating would be lowered if it paid more than 2 trillion won for Hanbo, a move that it said would make it difficult to raise fund overseas.

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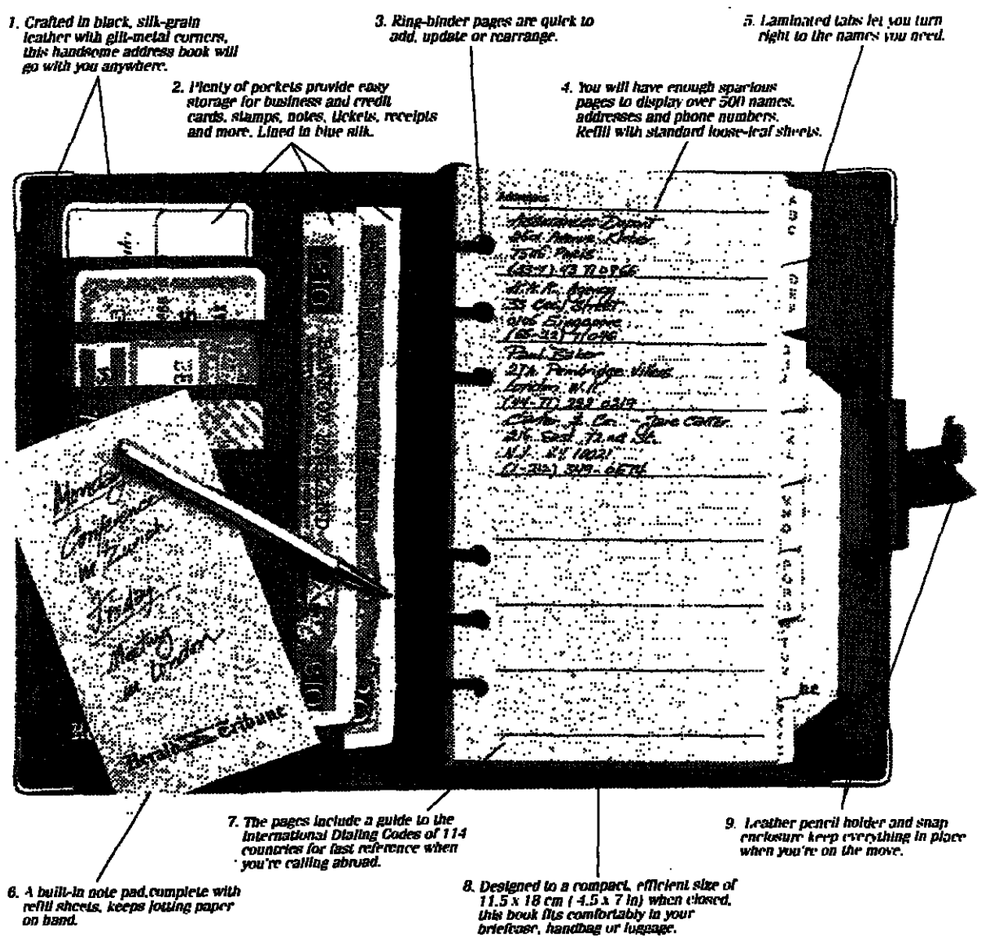

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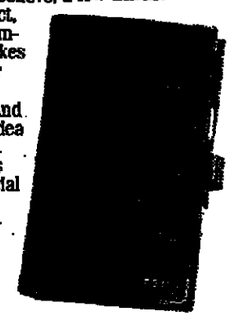

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WORLD ROUNDUP

AP

Petr Korda returning the tennis ball to Jan-Michael Gambil.

Courier Falls

TENNIS Brett Steven upset Jim Courier, 6-2, 6-2, in the second round of the Pilot Pen International in New Haven, Connecticut.

Yevgeni Kafelnikov of Russia, the No. 1 seed, No. 3 Petr Korda of the Czech Republic, No. 7 Tim Henman of Britain and Sargis Sargsian of Armenia all won Tuesday.

• Glenn Weiner, playing in just his second ATP match, upset 15th-seeded Thomas Johansson of Sweden, 6-7 (6-7), 7-5, 6-4, in the first round of the RCA Championships in Indianapolis. *(AP)*

Japanese Select Osaka

OLYMPICS Japan's Olympic officials on Wednesday picked Osaka, the commercial hub of western Japan, as the nation's candidate to stage the 2008 Summer Olympics. Osaka gained 29 votes. Its lone rival, Yokohama, garnered 17. *(AP)*

Phillips Is Charged

BASEBALL Tony Phillips, the Anaheim Angels outfielder, was charged in California with felony possession of cocaine, and the team said he would not return to the lineup until he met with doctors representing baseball and the players' union. Phillips was arrested Sunday by Anaheim police, who said he bought a small quantity of cocaine. *(AP)*

Wolves May Lose Garnett

BASKETBALL Kevin Garnett, the All-Star forward, will leave the Minnesota Timberwolves after this season, his agent said, because the team revealed that the player had turned down a six-year, $103 million offer.

"It's unfortunate that the Timberwolves have not honored their word to keep all contract negotiations strictly confidential," said the agent, Eric Fleisher. "Consequently, Kevin Garnett will not re-sign with the club after next season."

Wolves officials denied breaching an agreement. Glen Taylor, the team owner who disclosed the contract offer to the press, said Fleisher was seeking a six-year contract worth at least $132 million. *(AP)*

India and Sri Lanka Draw

CRICKET Mohammed Azharuddin hit his 19th test century as India drew the second and final test against Sri Lanka in Colombo on Wednesday. The first test was also drawn.

India, set 373 runs to win, never attempted to reach the target and finished on 281 for five with Azharuddin 108 not out. *(Reuters)*

Defender In a Defensive Mode

Mark Brooks, 1996 PGA Champ, Is Back After a Grim Year

By Clifton Brown
New York Times Service

NEW YORK — The defending PGA champion has not won a tour event in 12 months.

He missed the cut at the Masters. He missed the cut at the U.S. Open. He missed the cut at the British Open.

He has managed just one top-10 finish in 23 tournaments this year.

When Mark Brooks steps onto the first tee Thursday at the Winged Foot

PGA GOLF

Golf Club in Mamaroneck, New York, to defend his Professional Golfers' Association title, it will continue his quest to recapture the swing and the confidence that led him to the pinnacle of his career last August. Since winning his first major at age 36, Brooks has found life at the top to be almost as difficult as getting there.

"It's been a long year," Brooks, a native of Fort Worth, Texas, said in a recent interview. "The PGA seems like it was two years ago. I'm playing with probably as little confidence as I've played with in several years. People ask, 'How could that be?' Well, if you go out there and hit enough funny-looking shots, it will destroy your confidence in a hurry."

Brooks, who has seven career victories, including three last year, expects to win again. He has been too good for too long to believe otherwise.

But he has been troubled by a swing flaw since late last year that has sent many of his tee shots slicing to the right. At 5 feet 9 inches and 150 pounds (1.75 meters and 68 kilograms), Brooks has never been one of the game's long hitters, so when he loses accuracy, it means trouble.

Much of his time at tournaments has been spent on the driving range, trying to feel comfortable again off the tee. But it is difficult to compete with the world's top golfers when tinkering with a swing.

"The hard part is to keep playing while trying to make adjustments," he said. "To do it out here, you have to swallow your pride. You know you may not play that well, but you go ahead to the tournament and do your best."

After winning the PGA last year at Valhalla Golf Club in Louisville, Kentucky, Brooks saw demands on his time grow like never before. He became a bigger attraction for tournament sponsors, and Brooks decided to capitalize, adding some events to his calendar in November and December.

Now he admits he may have overdone it.

"I played more golf at the end of last year than I probably should have," he said. "I was stressed out and tired at the beginning of the year."

'I didn't know if I'd win a major or not, but I knew I'd have my chances.'

While Brooks has begun to play better in recent weeks, it may be too late for him to make the Ryder Cup team. The top 10 players in Ryder Cup point standings after the PGA automatically make the team that will compete against the European squad next month in Spain.

Tom Kite, the U.S. team captain, will add two captain's picks to the 10 automatic picks. But Brooks has fallen out of the top 10 in points standings, and he said he did not believe Kite would select him.

"I don't think he will," said Brooks, who played on the '95 Ryder Cup team. "It's a tough question, but I'd say probably not."

So Brooks has turned his attention to regaining the form that made him a champion. He was never better than at last year's PGA, when he came from behind to win a pressure-packed tournament, beating Kenny Perry on the first hole of a sudden-death playoff. With most of the Valhalla gallery cheering for Perry, a Kentucky native, Brooks showed his toughness.

Trailing by one stroke through 71 holes, Brooks needed a birdie at No. 18 to force the playoff. He got it. Then Brooks made par on the first extra hole, while Perry faltered with a bogey. The PGA championship belonged to Brooks, and his long quest to win a major had finally ended.

"I didn't know if I'd win a major or not, but I knew I'd have my chances, especially anywhere except Augusta," he said. "I've never been a long, high ball hitter, so some courses, although they're great courses, don't suit my game.

"I know some guys tee it up every week to win. I'd certainly like to win every week, but I don't have enough talent just to go out there with my C game and win. My C game puts me on an airplane on Friday. I need my A game, and I haven't had it much this year."

But Brooks looks at Winged Foot as a place where he can win.

"I know at Winged Foot you've got to be in the fairway, and after that, you've got to do everything else pretty well, too," Brooks said. "It's a long golf course, but it's long for everybody. You can bounce a ball into a lot of the greens. So I don't feel I go into a golf course like Winged Foot at a disadvantage."

■ 2001 PGA Tourney to Atlanta

The PGA Championship in 2001 will be played at the Atlanta Athletic Club's Highland Course, The Associated Press reported Wednesday, quoting the Atlanta Journal-Constitution.

The tournament will come 20 years after the Athletic Club's last PGA Championship in 1981.

Timothy Clary/Agence France-Presse

ELEVATED HAZARD — Fred Couples, left, and Jay Haas studying an elm tree overhanging the second green at the Winged Foot Golf Club in Mamaroneck, New York, where the PGA championship opens Thursday.

Gothenburg Crushes Costly Rangers, 3-0

Compiled by Our Staff From Dispatches

The Glasgow Rangers expensive team of international stars made a miserable start to this season's European Cup Wednesday, when it lost, 3-0, in Gothenburg in the first leg of the preliminary round.

The Rangers goalkeeper, Andy Goram, was helpless against scorching long-range shot from Stefan Pettersson in the 55th. Three minutes later Goram

EUROPEAN SOCCER

reached a shot by Per Karlsson but the ball had already crossed the line, and with two minutes to play substitute Peter Eriksson ran onto a through pass and drove the ball past Goram.

In Slovakia, Kosice beat Spartak Moscow, 2-1. Jozef Kozlej and Ivan Kozak scored for the home team. Sergei Dmitriyev replied for the Russians.

In Bucharest, Steaua scored twice in the last 19 minutes to beat Paris St Germain, 3-2.

Casino Salzburg and Sparta Prague drew, 0-0, in Salzburg and Betar Jerusalem drew, 0-0, at home.

On Tuesday, Hajduk Split and PAOK Salonika came from behind to win in the first leg of the UEFA Cup second qualifying round. Mass Tarr scored in the last minute to give Hajduk Split of Croatia a 3-2 victory over Malmo of Sweden on Tuesday after being 0-2 down.

Malmo led for most of the match with goals by Jonas Wirmola in the 11th minute and Niklas Gudmundsson in the

Georges Schneider/Agence France-Presse

Zdenek Svoboda of Sparta Prague, right, tackling Laszlo Klausz of Salzburg in a European Cup match in Salzburg. The game ended 0-0.

60th. Hajduk, always on the offensive, scored three goals in 13 minutes from Josip Skoko, Oce Sedloski and Tarr, who scored in the 90th minute.

Salonika of Greece also came from behind to beat Spartak Trnava of Slovakia, 5-3. Spartak scored three goals between the 22d and 28th minutes. But the score was 3-3 by halftime after Spyros Marangos scored twice for Salonika, adding to a penalty by Theodoros Zagorakis in the 31st. Costas Frantzeskos and Persi Olivares struck in the second half.

French teams moved closer to a sweep of the three final-round matchups in the Intertoto Cup. The winners will qualify for the next round of the UEFA Cup.

Auxerre of France drew its first leg, 0-0, in Germany against Duisburg.

Pascal Baills scored an own goal and was later sent off as Montpellier lost at home to Lyon.

Prince Daye came as a halftime substitute for Bastia of France in Halmstad, Sweden, and scored a minute later to give the Corsican team a 1-0 victory.

• John Barnes ended his 10-year association with Liverpool on Wednesday when he joined Newcastle United on a free transfer. *(AP, Reuters, AFP)*

Avalanche Keep Sakic To Adorn New Arena

Compiled by Our Staff From Dispatches

The Colorado Avalanche found the best strategy to match the New York Rangers' $21 million offer to Joe Sakic: Build a $165 million arena.

And on Wednesday, the Ascent Entertainment Group, which owns the Colorado Avalanche of the National Hockey League, announced it would match the New York Rangers' offer sheet of $21 million, including a $15 million signing bonus, and keep the 28-year-old center in Denver.

Charlie Lyons, the Ascent chairman and chief executive officer, made the announcement at a news conference to sign an agreement with the city to build a sports complex in downtown Denver, the $160 million Pepsi Center, which will be home to the Avalanche and the Denver Nuggets of the National Basketball Association, which Ascent also owns.

According to reports in local newspapers Wednesday, Ascent has signed two other deals. Liberty Media Corp., a subsidiary of the cable television giant Tele-Communications Inc., will invest $15 million in the arena. FOX Sports Rocky Mountain, a partnership between Liberty Media and The News Corp., signed a $100 million seven-year regional television agreement for the Avalanche and the Nuggets.

A new home for both teams has been planned for several years. But only this week did the city and Ascent clear the final hurdle by agreeing to let the Nuggets out of their lease at McNichols Arena for $15.5 million to be paid over 25 years.

Now, the 1996 Stanley Cup champion Avalanche is assured of future revenue from a five-story sports palace with 95 luxury boxes and 1,850 club seats, one that will join the Colorado Rockies' phenomenally successful Coors Field for the 1999-2000 season.

The potential cash flow from the privately financed Pepsi Center dwarfs what Ascent gets from its Avalanche and Nuggets leases at McNichols, which has 18 luxury suites — "the Yugo of suites," said Paul Jacobsen, an Ascent spokesman, and no club seats.

"Once we get into the new building, these teams will transform to cash-flow positive businesses from teams with operating losses," said Jacobsen, who did not deny that the teams lost as much as a combined $8 million last season.

The new facility will improve Ascent's anemic bottom line. Last year, the company lost $36 million on revenues of $258 million. For the three months ending March 31, Ascent lost another $17.6 million. *(AP, NYT)*

■ Gratton Move Under a Cloud

Chris Gratton of the Tampa Bay Lightning has signed a $16.5 million offer sheet with the Philadelphia Flyers, but the Chicago Blackhawks say they struck a deal for the free agent, The Associated Press reported from Toronto.

The National Hockey League said Wednesday that it was investigating the matter involving the 22-year-old center.

Gratton signed an offer sheet with the Flyers on Tuesday. Tampa Bay has a week to match the offer, but Pat Morris, Gratton's agent, said Tampa Bay was trying to trade his client.

After 3 Estranged Years, Capriati Feels Like 'Old Me' on Toronto Court

By Robin Finn
New York Times Service

TORONTO — This time she has a new dog, a new house and a new attitude. Can a new career or a mature variation on the almost forgotten one that made her a baby-faced star, follow?

Rejuvenated by a first-round victory Tuesday at the du Maurier Open, Jennifer Capriati predicted that she and tennis may yet strike up a meaningful relationship after three years of false starts and estrangements.

"I felt a little bit of the old me out there, and I wanted to put it all together," the 21-year-old Capriati said after her 6-4, 6-3 victory against 41st-ranked Silvia Farina of Italy.

"My legs were shaking, but it was a good kind of nervous energy because when I looked around the court, I realized I wanted to be there," she said.

Like a swimmer testing the deep water one toe at a time, Capriati continues to make a tentative return to tennis, the sport she transformed into her own personal drowning pool after failing to live up to expectations, her own included, about just what constitutes a successful follow-up act to a successful phenomenon.

"I felt like I was only good if I won, like I was a loser if I lost, and I had this big problem in separating the two," said Capriati, who went from being a person she didn't much like to a person she didn't even know.

Mike Blake/Reuters

Jennifer Capriati belting a serve in the first round of the Canadian Open.

Instead of finding her best encore for a career that began with a bang at 13 only to fizzle shortly after she won an Olympic gold medal at 16, Capriati tuned out, dropped out and did the equivalent of biting the hand that fed and bred her.

She turned her back on tennis, which had appointed her Chris Evert's heir apparent without consulting her, and took her revenge by impersonating a juvenile delinquent.

Her abdication had consequences, including a court-ordered stint in drug rehabilitation, and for a time, Capriati was convinced that she would never play tennis again.

"Once you walk away from something, the longer you're away, the harder it is to believe you can go back to it, and my time away from tennis went on way longer than I ever thought it would," said Capriati, who hadn't played a match on the Corel Women's Tennis Association Tour since spraining her right ankle in May after a first-round loss to Chanda Rubin at the Italian Open.

"But I've seen both sides now. And eventually I realized I still wanted to be the best I can be," she said. " Now I know that everything doesn't have to be great only if I win. That's what I didn't know then."

Capriati's mother, Denise, said that what she and her former husband, Stefano, didn't know then was that their daughter's love for the game, and for people, would be eroded by the demands of her celebrity and by her conviction that she was a failure unless she won.

"The excitement, the endorsements, the money, the prestige, the pride," Denise said. "There it all is, and you get caught up in it, and you're not thinking of what your child is missing, and if this is what's best for them. I believe in my heart that she did love tennis, and still does, but I did beat myself up later for not stopping things from getting so out of hand back then.

"Meanwhile, Jennifer was trying to be everybody's perfect everything, and when you do that, you lose yourself, lose your identity, and that's what she went through. She went from being happy to being sad and fearful and, as a parent, I felt plenty of guilt and shame for the role I played in that."

In essence, Capriati tried to erase her identity. Eventually, she decided she wanted it back because she thought her "task in tennis was not done yet," but her attempts to reinvent herself on the court were more traumatizing than therapeutic.

Three appearances in three Grand Slams — the 1996 French Open, the 1996 U.S. Open and the 1997 Australian Open — produced three first-round losses, just the wrong sort of sequel to the first-round U.S. Open loss in 1993 that provoked her to stuff her racquets in the garbage. The same courts where she had made history as a 14-year-old semifinalist suddenly felt too big for her to handle.

"I thought I had to be perfect to come back, but I don't anymore," Capriati said. "Last year at the French Open, I was a mess, and at the U.S. Open, I was so afraid just of being out there that I didn't want to advance. I was like a scared cat, and I'm not saying I'm going to play like a lion this year, but I'm going to hold my head a little higher because I'm not fighting myself anymore.

"Until now, I've been so indecisive about everything. Could I get through life without playing tennis anymore? Yes, I could probably do it, but why? What's the point of not trying — it's such a waste. I've had all my time to mourn what's been lost and feel guilty about things and think it through. Now it's time to move on. While there's still time."

Capriati's father does not seem to think it was his responsibility to protect his daughter "from the inevitable." "Whatever she does, she does intensive, even if it's something that may be bad for her," Stefano Capriati said. He is also certain that she "was destined to play great tennis."

■ Seles Advances to 3d Round

Monica Seles, the top seed in the du Maurier Open, competed just two days after winning a tournament in Los Angeles, and advanced to the third round with a 6-2, 6-4 victory over Asa Carlsson of Sweden, The Associated Press reported.

Seles will play No. 16 Sabine Appelmans of Belgium, who beat France's Alexandra Fusai, 6-3, 6-3.

SPORTS

White Sox Keep Heat On Indians

Chicago Shrugs Off Loss of Pitchers and Beats Anaheim, 8-5

The Associated Press

Before the White Sox traded three quality pitchers to San Francisco last week, the team's chairman, Jerry Reinsdorf, said anyone who thought Chicago could catch Cleveland was crazy.

But the White Sox beat Anaheim, 8-5, Tuesday and continues to cling on in the American League Central. Chicago, which was 3½ games back when the trade was made, is three games behind Cleveland with six weeks left.

AL Roundup

"We're not done. We believe in ourselves," said Jamie Navarro (9-10), who allowed seven hits in seven innings for his 100th career victory, just his third since the All-Star break.

"We've got to have a good home stand. We've got a chance to catch Cleveland. What Jerry says or what they do with the team is their problem. We can't worry about Wilson Alvarez, Robert Hernandez, Danny Darwin and Harold Baines because they're gone," Navarro said.

Albert Belle, who had not hit a home run since July 18, hit two. His second and 23d of the season was a two-run shot capping a three-run seventh inning.

Brewers 5, Mariners 3 Milwaukee also beat its AL West foes to keep up an unexpected challenge in the AL Central. The rookie Steve Woodard, who took a pounding from Seattle early this month, won despite conceding Ken Griffey's 37th home run.

Woodard was tagged for six runs in two innings by the Mariners in a 14-4 loss in Milwaukee on Aug. 2.

Mike Matheny, Milwaukee's No. 9 hitter, hit a three-run homer in the second.

"We needed somebody to pick us up," Matheny said. "We've been having a rough time on the West Coast for some reason. Maybe this will be a spark to get us going to do something good."

Damion Easley of Detroit colliding with the Cleveland catcher Pat Borders in a game the Indians won, 7-4.

Indians 7, Tigers 4 In Cleveland, *Manny Ramirez hit his 18th homer in a* three-run fourth as the Indians won for only the ninth time in 26 games.

David Justice was 3 for 3, including a two-run double in the first, improving to 11 for 18 with three homers in five games.

Rangers 12, Red Sox 2 Texas routed Boston at Fenway Park for the second consecutive game, scoring 10 runs in the first four innings.

Bobby Witt pitched his third complete game and the Rangers' second straight as Texas collected 17 hits and improved to 5-0 at Fenway Park this season.

Royals 6, Yankees 4 Dean Palmer homered and drove in four runs as Kansas City won in New York.

Palmer, who is 10 for 21 with runners *in scoring position and has batted in 16* runs in 18 games since coming over in a trade with Texas, singled home a run in the fourth, opened the sixth with his 17th homer and hit a go-ahead, two-run double in the seventh.

Orioles 8, Athletics 0 In Baltimore, *Scott Erickson pitched a three-hitter and* Rafael Palmeiro had three hits, including a three-run homer for the Orioles.

Palmeiro's 24th home run highlighted a four-run first inning that boosted Baltimore to its 12th victory in 15 games. Oakland has lost 11 of 16.

Both benches emptied in the bottom of the eighth after the Oakland pitcher Dane Johnson threw a pitch behind Jeff Reboulet, who voiced his displeasure to the catcher Brent Mayne. No punches were thrown, but Reboulet and Mayne were thrown out of the game.

Blue Jays 9, Twins 1 In Toronto, Roger Clemens became baseball's first 18-game winner this season as he lowered his earned run average to 1.66, best in the majors.

*Clemens (18-4) struck out 13, al*lowed eight hits and walked one in his eighth complete game, tied with a teammate, Pat Hentgen, for most in the AL.

Jacob Brumfield, who entered the game after Otis Nixon was traded to Los Angeles, and Jose Cruz Jr. each hit two-run homers.

■ Rex Barney Is Found Dead

Rex Barney, 72, who pitched a no-hitter for the *1948 Brooklyn Dodgers* and enjoyed widespread popularity as the Baltimore Orioles' longtime public address announcer, was found dead at his home Tuesday, The Associated Press reported from Baltimore.

Barney, a right-hander from Omaha, Nebraska, pitched for the Dodgers in six seasons before retiring in 1950 at age 25.

Few pitchers threw harder, but Barney's problem was getting the ball over the plate. He finished with 410 walks and 336 strikeouts. He was 35-31 with a 4.34 earned run average in 155 *career games. He was 0-2 in the World* Series, losing games in both 1947 and 1949.

Barney gained popularity after becoming the Orioles' public address announcer in the 1970s.

Faith in Odds Fails Braves' Neagle in 9th

The Associated Press

Denny Neagle was certain the Atlanta Braves would hold a ninth-inning lead, and for good reason. He had never seen them blow one.

The Pittsburgh Pirates wrecked his bid to become the first 17-game winner in the NL, however, rallying for four runs in the ninth against Mark Wohlers for a 5-2 victory Tuesday night in Atlanta.

Atlanta had won 61 straight games this season when leading after the eighth, and was 133-0 in those spots since May 3, 1996.

NL Roundup

"I was very confident," said Neagle, traded from the Pirates to Atlanta last August. "With a closer as dominant as Wohlers, you have to feel good. He just didn't have it tonight."

"It got ugly," said Wohlers, who was trying for his 100th career save. "I got the first guy out, but after that it was all downhill. Obviously, my control wasn't there."

Wohlers took over to start the ninth with a 2-1 lead and struck out the first batter. Jason Kendall followed with a single and stole second, barely beating the throw.

"From my point of view, it looked like Jason Kendall was out," Neagle said. "The throw was right on the money. If he's called out, then you've got a totally different situation: two out and nobody on."

Wohlers walked the next two hitters, Dale Sveum and pinch-hitter Mark Smith. Ward followed with a single that almost knocked over Wohlers.

"With the bases loaded, he had to come right at me," Ward said. "I guessed right, got lucky, got the meat of the bat on the ball. I've been hitting a lot of line drives lately."

Padres 6, Expos 4 Rickey Henderson hit the 250th home run of his career as San Diego beat visiting Montreal.

Henderson is drawing interest from several American League contenders, *and a trade could come this week.*

He went 3-for-5 as he started in right field for the fourth straight game in place of Tony Gwynn, out since having a kidney stone surgically removed.

Phillies 5, Rockies 0 Matt Beech stopped his streak of 22 straight starts without a victory, pitching Philadelphia past Colorado at Coors Field.

Beech (1-7) was winless since beating Atlanta in his first big league start on Aug. 8, 1996. He had made 15 starts this season without a victory.

Beech retired the first 13 Rockies and allowed just four hits in seven innings.

Astros 13, Marlins 2 Back in mid-June, Houston manager Larry Dierker said he would pick his lineups based on defense and pitching, and not focus so much on hitting. Even so, Astros batters haven't been doing too badly.

The National League Central leaders opened an 11-game homestand — their longest of the season — with another high-scoring effort, increasing their run total to 40 in four games. Tim Bogar and Chuckie Carr homered and James Mouton drove in three runs.

Cardinals 5, Mets 2 Mark McGwire broke out of a 3-for-35 slump with a solo homer and a two-run double, as St. Louis beat visiting New York.

McGwire hit his second home run since being traded from Oakland on July 31.

He doubled his next time up in the *fifth inning.*

Cardinals catcher Tom Pagnozzi, sidelined since April 29, homered in his first at-bat since coming off the disabled list.

Cubs 4, Dodgers 2 Jose Hernandez, playing because shortstop Shawon Dunston was injured, hit a two-run *homer in the seventh inning off Hideo* Nomo that lifted Chicago to victory in Los Angeles.

The Cubs stopped their nine-game road losing streak.

The Dodgers had won six in a row at home.

Dunston jammed his right shoulder making a diving play on Brett Butler's grounder in the fifth, and Hernandez entered in the sixth.

Giants 7, Reds 3 Pitching at home in San Francisco for the first time, Wilson Alvarez struck out nine and drove in a run with his first major league hit to beat Cincinnati.

Alvarez won in his third start since being traded from the Chicago White Sox July 31.

Barry Bonds broke an 0-for-17 skid with a double for the Giants.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	73	41	.640	—
New York	69	48	.590	5½
Toronto	57	60	.487	17½
Boston	56	62	.483	18
Detroit	55	62	.470	19½
CENTRAL DIVISION				
Cleveland	59	55	.518	—
Chicago	57	59	.491	3
Milwaukee	57	60	.487	3½
Minnesota	51	67	.432	10
Kansas City	49	66	.426	10½
WEST DIVISION				
Anaheim	66	52	.559	—
Seattle	66	52	.559	—
Texas	57	62	.479	9½
Oakland	47	73	.392	20

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	75	46	.620	—
Florida	68	50	.576	5½
New York	65	53	.551	8½
Montreal	60	57	.513	13
Philadelphia	41	75	.353	31½
CENTRAL DIVISION				
Houston	65	55	.542	—
Pittsburgh	58	61	.487	6½
St. Louis	54	64	.457	10
Cincinnati	51	66	.436	12½
Chicago	48	72	.400	17
WEST DIVISION				
San Francisco	67	53	.558	—
Los Angeles	64	55	.538	2½
San Diego	57	62	.479	9½
Colorado	57	63	.475	10

TUESDAY'S LINESCORES

AMERICAN LEAGUE

Milwaukee 031 000 001—5 7 0
Seattle 001 001 100—3 4 1
Woodard, Wickman (8), DeJones (9) and Matheny; Fassero, Timlin (8) and Manzano. W—Woodard, 2-1. L—Fassero, 11-7. Sv—DeJones (24). HRs—Milw., Matheny (4), Sea., Griffey Jr (37), R. Davis (17).

Texas 225 100 200—12 17 0
Boston 000 010 100—2 10 2
Witt and I. Rodriguez; Sele, Wasdin (3), Lacy (8) and Hatteberg. W—Witt, 11-8. L—Sele, 11-9. HR—Texas, I. Rodriguez (12).

Minnesota 001 000 000—1 8 0
Toronto 014 300 01x—9 11 1
Bowers, Swindell (3), Trombley (5), Tra.Miller (7) and Steinbach; D. Miller (7); Clemens and O'Brien. W—Clemens, 18-4. L—Bowers, 0-2. HRs—Toronto, Brumfield (2), Cruz Jr (16), Sn.Green (15).

Oakland 000 000 000—0 3 0
Baltimore 410 021 00x—8 11 1
C.Reyes, Johnstone (5), D. Johnson (7) and Mayne, Molina (8); Erickson and Webster. W—Erickson, 14-5. L—C. Reyes, 3-4. HR—Baltimore, R. Palmeiro (24).

Anaheim 000 002 201—5 9 1
Chicago 010 003 31x—8 13 1
Dickson, Hasegawa (7), Da.May (7), James (8) and Td.Greene; Navarro, T. Castillo (8) and Fabregas. W—Navarro, 9-10. L—Dickson, 11-5. Sv—T. Castillo (1). HRs—Chicago, Belle 2 (23).

Kansas City 000 201 201—6 12 0
New York 100 021 000—4 11 0
Rosado, Mi.Perez (6), Casian (7), Olson (8), J. Montgomery (9) and M.Sweeney; Cone, Nelson (7), Stanton (9), Mecir (9) and Girardi. W—Mi.Perez, 2-0. L—Cone, 12-6. Sv—J. Montgomery (8). HRs—Kansas City, Palmer (17). New York, Be.Williams (15).

Detroit 002 020 000—4 8 0
Cleveland 201 301 00x—7 13 0
Keagle, Sager (4), M. Myers (6), Gaillard (6), To.Jones (8) and Casanova; Jr.Wright, A. Lopez (4), Plunk (6), M. Jackson (8), Assenmacher (8), Mesa (9) and Borders. W—Plunk, 4-3. L—Keagle, 0-2. Sv—Mesa (5). HRs—Cleveland, Ramirez (18), T. Fernandez (7).

NATIONAL LEAGUE

Cincinnati 002 100 000—3 8 4
San Francisco 003 020 20x—7 9 1
Tomko, Sullivan (5), P. A.Martinez (6), F. E.Rodriguez (8) and J.Oliver; Taubensee (8); Alvarez, R. Hernandez (8) and Berryhill. W—Alvarez, 2-1. L—Tomko, 7-4. Sv—R. Hernandez (1).

New York 000 100 100—2 9 0
St. Louis 020 120 00x—5 8 0
Mlicki, Wendell (7) and Hundley; An.Benes, Fossas (7), C. King (7), Eckersley (9) and Pagnozzi. W—An.Benes, 8-6. L—Mlicki, 5-9. Sv—Eckersley (28). HRs—New York, Hundley (26). St. Louis, McGwire (2), Pagnozzi (1).

Florida 000 100 100—2 6 1
Houston 004 201 22x—13 14 1
A.Leiter, Stanifer (5), Cook (7), Vosberg (8) and C. Johnson; Hampton, R. Springer (8), J. Cabrera (9) and Ausmus. W—Hampton, 10-7. L—A. Leiter, 8-9. HRs—Houston, Bogar (4), Carr (2).

Pittsburgh 000 100 004—5 9 0
Atlanta 000 100 100—2 8 2
Loaiza, Rincon (7), Sodowsky (8), Loiselle (9) and Kendall; Neagle, C. Fox (8), Embree (8), Cather (8), Wohlers (9), Lightenberg (9) and J. Lopez. W—Sodowsky, 2-2. L—Wohlers, 4-5. Sv—Loiselle (19). HR—Pittsburgh, E. Williams (1).

Philadelphia 310 000 100—5 10 0
Colorado 000 000 000—0 5 1
Beech, Brewer (8), Spradlin (9) and Lieberthal; Thomson, Holmes (7), M. Munoz (9) and Manwaring. W—Beech, 1-7. L—Thomson, 4-7.

Montreal 020 000 200—4 8 1
San Diego 010 200 30x—6 9 1
Bellinger, DeHart (7), D. Veres (7) and Widger; Menhart, Cunnane (7), Bochtler (7), Hoffman (8) and Flaherty. W—Bochtler, 3-5. L—DeHart, 0-1. Sv—Hoffman (29). HRs—Montreal, Grudzielanek (3). San Diego, Henderson (6).

Chicago 000 100 200—4 9 0
Los Angeles 000 010 100—2 10 1
M.Clark, Patterson (7), Pisciotta (7), T. Adams (9) and Servais; Nomo, Radinsky (7), Osuna (8), Guthrie (9) and Piazza. W—M. Clark, 9-7. L—Nomo, 11-9. Sv—T. Adams (9). HR—Chicago, J. Hernandez (5).

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	57	37	1	.606	—
Yokohama	49	42	—	.538	6.5
Hiroshima	46	46	—	.500	10.0
Chunichi	46	51	—	.474	12.5
Hanshin	43	50	1	.462	13.5
Yomiuri	40	55	—	.421	17.5

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Orix	50	36	3	.581	—
Seibu	50	41	2	.549	2.5
Daiei	47	48	—	.495	7.5
Nippon Ham	46	50	1	.479	9.0
Lotte	41	47	2	.466	10.0
Kintetsu	41	53	2	.436	13.0

WEDNESDAY'S RESULTS

CENTRAL LEAGUE

Yakult 6, Hanshin 2
Yokohama 4, Chunichi 2
Hiroshima 7, Yomiuri 3

PACIFIC LEAGUE

Orix 6, Kintetsu 2
Seibu 5, Daiei 2
Nippon Ham 4, Lotte 1

SOCCER

UEFA CUP

SECOND PRELIMINARY ROUND, FIRST LEG

Jablonec 1, Orebro 1
Dynamo Minsk 0, Lillestrom 2
HIT Gorica 3, Club Bruges 5
Rotor Volgograd 2, Odra Wodzislaw 0
Alania Vladikavkaz 2, D. Dnipropetrovsk 1
Trabzonspor 1, Dundee United 0
PAOK Salonika 5, Spartak Trnava 3
Rapid Vienna 6, Boby Brno 1
Grasshoppers 3, Brann Bergen 0
Anderlecht 2, Vorskla Poltava 0
Helsingborg 0, Ferencvaros 1
Neuchatel Xamax 3, Viking Stavanger 0
Apollon Limassol 0, Excelsior Muscron
Hajduk Split 3, Maimo FF 2
Velje 0, Hapoel Petah Tikvah 0
Ujpest 0, Aarhus 0
Tirol Innsbruck 2, Celtic 1
KR Reykjavik 0, OFI Irakilon 0
Second leg matches to be played Aug. 26.

INTERTOTO CUP

FINALS, FIRST LEG

Halmstad 0, Bastia 1
Duisburg 0, Auxerre 0
Montpellier 0, Lyon 1
Winners qualify for UEFA cup.
Second leg deciders to be played Aug. 26.

PRESEASON FRIENDLY

Benfica 0, Lazio 1

CRICKET

INDIA VS. SRI LANKA

SECOND TEST

WEDNESDAY, IN COLOMBO

Sri Lanka: 332 and 415-7
India: 375 and 281- 5
Match declared a draw.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

ANAHEIM —Signed RHPs Michael Brunet and Steve Green, C Robert Garrick and SS Steve Ahlers to minor-league contracts.

BOSTON —Signed RHP Chris Bosio to minor-league contract. Put OF Shane Mack on 15-day disabled list, retroactive to Aug. 7. Recalled OF Jose Malave from Pawtucket, IL.

CLEVELAND —Activated LHP Brian Anderson from 15-day disabled list and optioned him to Buffalo, AA.

DETROIT —Recalled RHP Greg Keagle from Toledo, IL. Put OF Melvin Nieves on 15-day disabled list retroactive to Aug. 4.

NEW YORK —Activated OF Tim Raines from *15-day disabled list. Designated OF-DH Pete* Incaviglia for assignment. Moved P Jake Robbins, P Dave Dudeck and OF James Rowson from Greensboro, SAL to Tampa, FSL, and P Tony Armas, P Craig Dingman, P Oswaldo Mairena and OF Derek Shumpert from Tampa to Greensboro.

TEXAS —Traded LHP Ed Vosberg to Florida Marlins for RHP Rick Helling.

TORONTO —Traded OF Otis Nixon to Los Angeles Dodgers for C Bobby Crippe. Recalled OF Shannon Stewart from Syracuse, IL.

NATIONAL LEAGUE

LOS ANGELES —Optioned INF Mark Johnson to Calgary, PCL. Sent RHP John Ericks to Calgary on rehab assignment.

SAN FRANCISCO—Signed OF Don McKinley to 1998 minor league contract.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

GOLDEN STATE —Traded F Chris Mullin to Indiana for C Erick Dampier and F Duane Ferrell.

MIAMI —Acquired C Duane Causwell from Sacramento Kings for G Gary Grant, C Matt Fish and conditional second-round draft pick in 1998.

TORONTO —Named Bob Klappenburg assistant coach.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

BUFFALO —Released LB Mark Maddox and DL Mark Gunn.

CHICAGO —Signed DT Mark Spindler. Released WR Haywood Jeffires.

KANSAS —Waived WR Tydus Winans. DT *Leslie Ratliffe, P Nick Gallery and FB Shawn* Walters.

MINNESOTA —Released RB James Stewart, S Markco Maddox, OL Kevin Ned and LB Josh Wilcox.

NEW ORLEANS —Waived CB Corey Duckett, WR Marvin Bagley, DE Michael Laffmore, T Leonard Ray Jr., DE Cornell Thomas, T Tashe Williams.

N.Y. JETS—Terminated the contract of DE Marvin Washington.

HOCKEY

NATIONAL HOCKEY LEAGUE

N.Y. RANGERS—Agreed to terms with D Doug Lidster. Released F David Oliver.

PITTSBURGH —Acquired rights to D Jiri Slegr from Edmonton Oilers for 1998 third-round draft pick.

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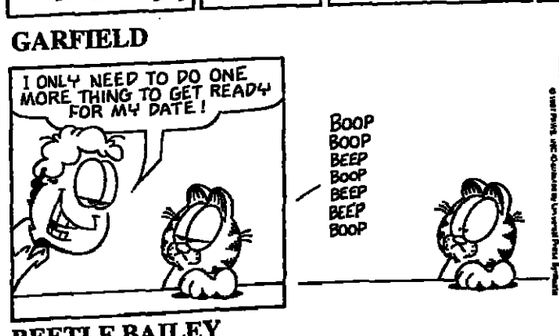

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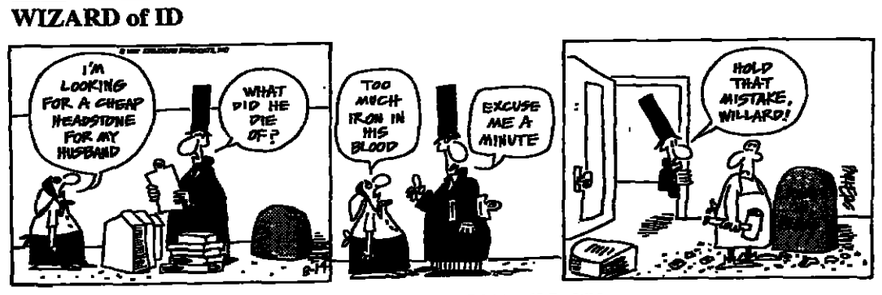


BEETLE BAILEY

NON SEQUITUR

DOONESBURY

BLONDIE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

REPIK
SOYUM
MOPSIE
ONASAT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: (Answers tomorrow)

Yesterday's Jumbles: GULCH SLANT UPTOWN OUTLAW
Answer: His claim of eating 50 hot dogs was this — TOUGH TO SWALLOW

ART BUCHWALD

Last of the Islanders

MARTHA'S VINEYARD, Massachusetts — The rule on Martha's Vineyard is that anyone who comes here wants to be the last person to settle on the island.

All visitors feel that they were the ones who discovered it, and they hate the thought that someone may buy or rent a place after they do.

Buchwald

This was the case with Malcolm Trustworthy who set foot on the island on July 27, 1997. As he drove off the ferry Malcolm told the ferry director. "I don't want any more people coming here. If anybody tries to land, push their cars into the sea."

During an ordinary season this would not be a problem. But since the president was expected this summer, it was difficult for Malcolm to be the last person to arrive.

A group of island leaders went to see him at his new million-dollar house overlooking the Atlantic Ocean and said, "We are aware that you would like to be the last person to settle on the Vineyard, but President Clinton is coming, and since he is president of the United States and holds the title of 'Last Person Wherever He Puts His Foot,' you are going to have to take one step back for him."

"No way," Malcolm said. "If I allow the Clintons to come on the island, then a lot of other people, including big donors to the Democratic Party, will want to come on land, and then the Republicans will insist that their contributors be the last people to come."

The White House was concerned. Finally they sent the Secretary of State to reason with Malcolm. She explained to him that if President Clinton was not permitted to be the last person on Martha's Vineyard, the prestige of the United States would sink to a new low in the world community.

She said, "You can keep your million-dollar home and your private beach privileges and your membership in the yacht club. All we want is for you to give up your title."

□

Malcolm told her, "Let the president go to Nantucket or Block Island or Far Rockaway. I discovered Martha's Vineyard, and it's my secret. Where is it written in the Constitution that the president can claim discovery of an island that other people found first?"

She responded, "Suppose we grant you the right to be the last person to land on Martha's Vineyard, and then out of the goodness of your heart you permit the Clintons to come here, providing they agree not to make it a permanent thing? Will you go for that?"

Malcolm said, "I will, providing he doesn't hold a press conference and tell everyone in the United States that they're welcome to come here any time."

The 51st Contestant

The Associated Press

ATLANTIC CITY, New Jersey — For the first time since 1989, a Miss Washington D.C. will join contestants from the 50 states on the Miss America Pageant runway in September. The Washington pageant lost its franchise seven years ago after accusations of misuse of funds, but a new group has now taken over the district's pageant.

From Ex-Yugoslavia, a Rare Voice of Reason

By Jane Perlez
New York Times Service

BUDVAR, Montenegro — Even before the conflict in the former Yugoslavia tore his country apart, Aleksandar Tisma had written three of the bleakest yet most stirring novels to come from the Balkans.

In one, "Kapo," a Jewish Croatian prisoner in Auschwitz who became a sadistic camp commandant searches many years later for one of the women he tortured. In another, "The Use of Man," the characters range from a half-Jewish prostitute in a Nazi bordello in Tisma's hometown, Novi Sad in northern Serbia, to a Nazi collaborator who joins the Yugoslav Partisans.

Tisma, 72, whose novel "The Book of Blam" is to be published in English next year, is regarded internationally as a rare voice of reason in the rump Yugoslavia's depleted cultural scene, a writer whose despairing fiction about the Holocaust echoes his deep gloom about the future of Serbia.

His novels, short stories and nonfiction carry the message that almost every human is capable of terrible deeds. The war in Yugoslavia and its sullen aftermath serve as contemporary illustration, he says.

"There are no ordinary people; every man, especially male, is a criminal," Tisma said in an interview at a summer arts festival on the Adriatic Sea. "It is incredible what people are willing to do, their imagination and fascination with the horror they can do. There are civilized people and less civilized people. Here in the Balkans, people don't belong to the civilized but to the less civilized."

A conversation with Tisma, who spent most of the recent Balkan war in France ("Very selfish of me but I had had enough of the nationalist euphoria"), is almost as dark as his writing. Yet he is one of the few creative people left in Serbia willing to address questions of guilt, redemption, courage and responsibility.

In July the French government decorated him as a Commander of the National Order of Merit, the first honor given to a Yugoslav by the French in seven years.

Tisma is convinced that Serbia is doomed to isolation and decay for the next 50 years, in part because politicians who led the war are still in power. The opposition is tainted, too, he said. Almost everyone, he argues, carries guilt they are unable to expiate. The extensive use of paramilitary organizations, which were given authority but no responsibility, makes the accounting of crimes all the more difficult.

"A Yugoslav soldier who was in Croatia told me about the time his army unit occupied a Croatian village," Tisma recounted. "He said: 'We occupied; then came these young men with caps and guns, the paramilitary. They shot 40 people and threw the bodies in the lake.' The soldier — now a guard at an art gallery — was very upset. These are incredible crimes which have to be explained." Tisma comes from the most diverse part of Yugoslavia, Vojvodina, which before World War I was part of Hungary. Like the Yugoslav writer Danilo Kis, who came from Vojvodina and died in Paris in 1989, Tisma is of mixed origin: His mother was a Hungarian Jew and his father a Serb, a background that made him very much a Yugoslav.

He grew up in Novi Sad, one of the most cosmopolitan of Yugoslav cities, and graduated from the university there in 1942. He served in the Yugoslav Army in the last year of World War II.

His novel "Kapo," which takes place in Banja Luka, a town from which Croats and Muslims were expelled during the war and which is now the center of Bosnia's Serb-held sector, is based on the true story of a Croatian Jew who turned torturer to survive. Tisma found the threads of his story about Vilko Lamian, the protagonist, in a German book that detailed the testimony of Nazi commandants at the Auschwitz chemical factory.

Saying that people are all Kapos, Tisma declared: "What is the argument for cowards, which we all are? That if I don't do it, another will." Tisma likes to relate the story of a rare exception, a German soldier in Serbia, Jozef Schulz, who refused to shoot civilians lined up for execution. Immediately, according to photographs Tisma has studied, Schulz was transferred from the firing squad to the line of victims.

"Schulz must be almost a saint; that is a very, very rare decision," he said.

During the last 10 years, feeling he was losing his edge for fiction writing, Tisma has turned to short nonfiction pieces or what he calls feuilletons. For one of his most successful, he used the documents on Kurt Waldheim, the former United Nations secretary general, who served in the German Army in Serbia, to show how an educated young man from a bourgeois family so easily became part of the machinery of death and terror.

He said the lesson of Waldheim's story, which became public when he decided to run for chancellor of Austria, was: "If you do your duty, you can become a big man. He became the grandfather of humanity." Tisma added: "I'm not cynical. It's true. If he hadn't wanted to be chancellor of Austria, maybe he would be in Albania today, saying: 'Peace, peace.'"

He blames not only nationalist Serbs for the conflict in the Balkans but also the Communist administration that preceded them and from which they came. Communism in Yugoslavia was so comfortable, he said, that it did not inspire the loathing that existed elsewhere in Eastern Europe. Thus there was less incentive to overturn the Communists, and Slobodan Milosevic, a Communist Party apparatchik turned nationalist, remains in control.

Maja Ciric/The New York Times
Aleksandar Tisma, whose writing addresses questions of guilt and redemption.

Indeed, Tisma said, he feels as if he is in a time warp. In the early 1950s, grim days when Josip Broz Tito was busy imposing his Communist government and Yugoslavs were forbidden to go abroad and earn hard currency, he felt imprisoned. He feels that way again, a particularly poignant emotion in Novi Sad, with its grand but little-used synagogue, faded church domes and the down-at-heel but once splendid buildings of the Austro-Hungarian Empire.

"We have become a hole, a cave, and this cave we have to stay in until this new generation comes," he said. "Once I could compare Novi Sad to the world. Now I couldn't compare it to anything. It is out of the world."

Reuters
U2 GOES TO POLAND — Bono, lead singer of the rock group U2, performing at a concert in Warsaw.

PEOPLE

IS a wedding in the stars? Speculation increased Wednesday with the news that **Princess Diana** had visited a clairvoyant with her new sweetheart, **Dodi al Fayed.** The Sun, Britain's top-selling tabloid, said the couple flew by helicopter from London to Chesterfield, northern England, to see **Rita Rogers,** a psychic and long-standing confidante of the princess. The Daily Mail said the helicopter belonged to Harrods, the London department store owned by Dodi's father, **Mohamed al Fayed.** The Sun said Rogers charged £35 ($55) an hour for services that included speaking to clients' dead relatives. One witness who saw the couple emerge from the psychic's home was quoted as saying, "Di was grinning all over her face and looked like she had had good news." Interest in Diana's love life has skyrocketed since the publication Sunday of fuzzy pictures that appeared to show her embracing Dodi. The tabloids have even begun talking about a winter wedding, a year after Diana's divorce from **Prince Charles,** the heir to the throne. The Saudi businessman **Adnan Khashoggi,** Dodi's uncle, did nothing to discourage such talk when he told a London-based Arabic newspaper, "We welcome Princess Diana into our family."

Hugo Boss, a leading German designer, tailored the brown and black uniforms of Hitler's Nazi elite during World War II, the Austrian current affairs magazine Profil reports in its latest edition. The German men's fashion house, the majority owned by Italy's Marzotto group, said that the report was probably accurate. "Our archives don't go back to that time but we suspect that Hugo Boss really did produce these uniforms," a spokeswoman told Reuters. Profil alleged that Boss, who died in 1948, manufactured uniforms for the German SS, the Storm Troopers, the Hitler Youth and the Wehrmacht, and used French prisoners of war and Polish inmates from German death camps to make the clothes. "Of course my father was a member of the Nazi Party, but who wasn't at that time?" Boss's son, **Siegfried Boss,** 82, told the magazine. Hugo Boss AG was floated in 1985 and the majority stake was sold to Marzotto in 1991. The firm expects sales of 1.05 billion Deutsche marks ($563 million) this year.

□

Prowlers broke into the graveyard chapel in northern Italy where **Gianni Versace's** ashes are kept, the mayor of the small town of Moltrasio said Wednesday. **Mayor Celestino Villa** said the intruders got into the cemetery Saturday night and forced the padlock on the chapel door but fled when an alarm went off. Nothing was damaged or stolen, he said. Versace, one of the world's leading fashion designers, was shot to death outside his Miami Beach residence on July 15. A funeral was held in Italy, and his ashes have been temporarily stored at the Moltrasio chapel, which belongs to a local family, until a special site can be prepared for them.

□

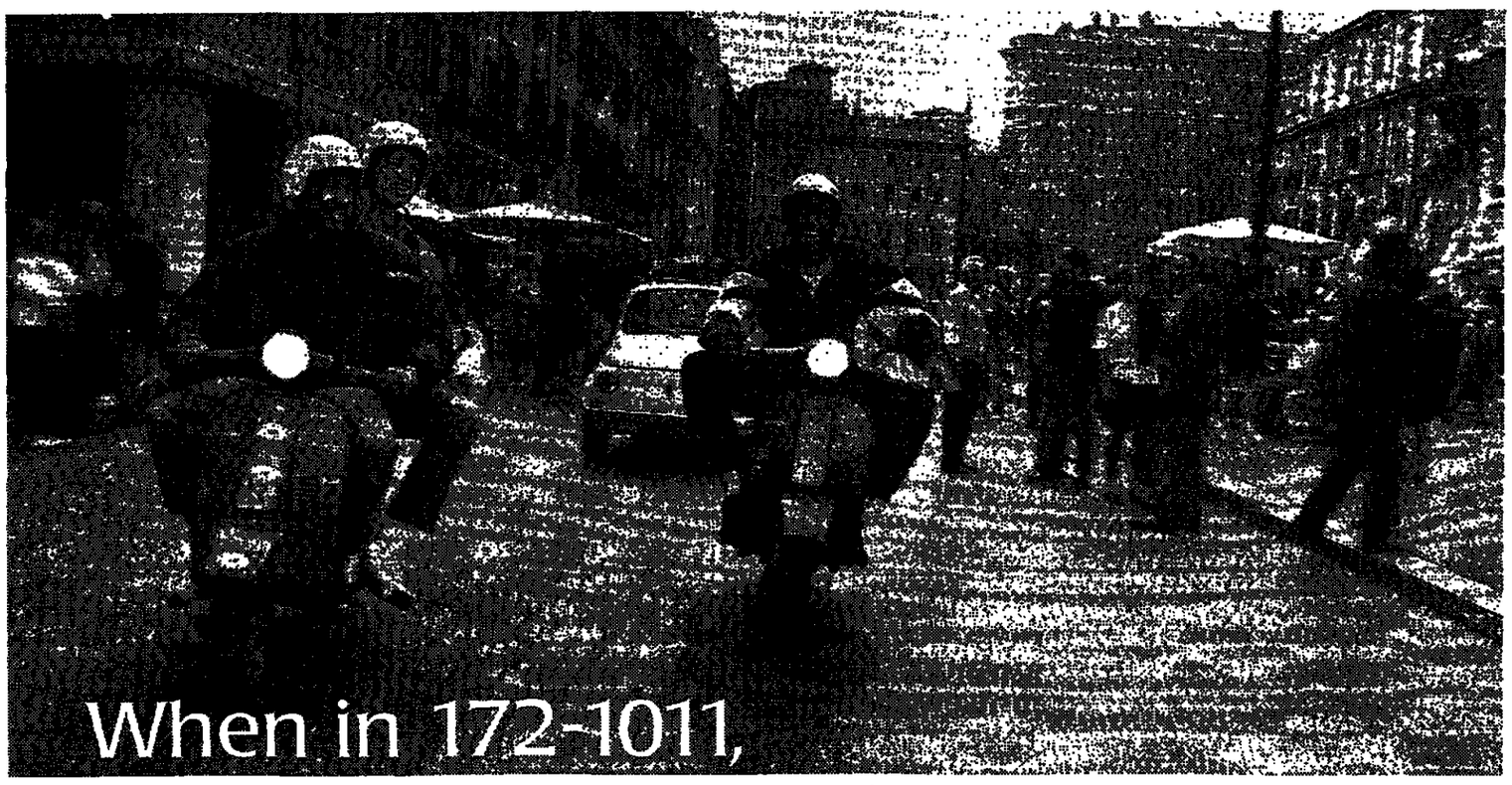
A dispute over the artistic merits of the Salzburg music festival has broken out between the event's innovative artistic director and the governor of the Salzburg region. "We're offering very little to friends of the classical festival," the governor, **Franz Schausberger,** told the weekly News in an interview published Wednesday. Criticizing the modern tastes of the director, **Gerard Mortier,** he called for a "program easier to digest" that "corresponds more to comfortable public taste," adding that he had to take into account the economic well-being of the region. Mortier, a Belgian who has spent six years modernizing the festival, replied on radio by accusing Schausberger of "talking about something he knows nothing about." He said that tickets to modern works he staged this season had sold extremely well, adding, "I would never have the gall to give advice to the provincial governor on questions of hydroelectrics or the motorways."

□

Two men accused of threatening to put nude photographs of the supermodel **Elle Macpherson** on the Internet pleaded not guilty in Los Angeles to attempted extortion. **Michael Mishler,** 29, and **William Holt,** 26, allegedly sent threatening letters to Macpherson demanding $80,000 to keep the pictures off the Internet. Prosecutors say Mishler stole the pictures from the model's home.

□

A pony, a donkey, 15 dogs and 12 cats escaped from **Brigitte Bardot's** home in Saint-Tropez but were recaptured, firemen in the French Riviera resort said Wednesday. The former film star, who runs a foundation for abandoned animals, had adopted the animals and looks after them on her property.



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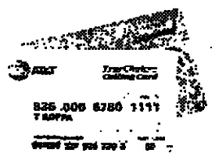

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